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No. 27,297

FINANCIAL TIMES

Thursday June 16 1977

***12p

1975

The world's most
expensive
twist suiting cloth



SCOTLAND

NEWS SUMMARY

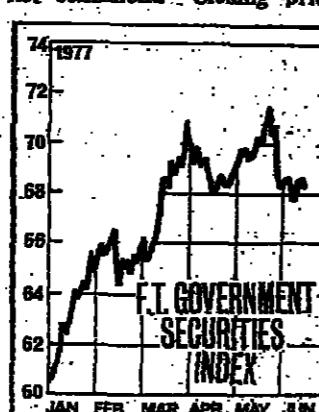
GENERAL

Soweto
tense
after
boy dies

BUSINESS

Gilts fall
sharply;
equities
off 5.3

• GILTS retreated as political
uncertainties undermined market
sentiment. Closing prices



were the lowest of the day. The
FT Government Securities Index fell 0.45 to 68.22.

• EQUITIES opened firmly but
drifted down in trade. The
FT 30-Share Index slipped 5.3
to 450.1.

• STERLING gained 7 points
to close at \$1.7188 and its
trade-weighted index rose to
61.6 (61.5). Dollar's trade-
weighted depreciation widened
to 1.17 (1.14) per cent.

• GOLD rose \$1.50 to \$133.25
on speculative demand.

• WALL STREET was down
3.31 at \$18.76 near the close.

• MEXICO AND CHINA are
among a number of Latin American
countries facing growing difficulties
over their debts to
foreign commercial banks.

Bankers are debating the possi-
bility of major renegotiations.

• ECSC COMMISSION plans to
raise up to 100 European units of
account (ESUs) in loans for
industrial, energy and regional
projects to stimulate economic
growth. Page 4

• PRINCE Charles met shouting
black-waving demonstrators
when he visited a black people's
project centre at Lewisham
south London. He persuaded
them to discuss with the police
allegations of brutality against a
group of black people arrested
on mugging charges.

• JANATA SUCCESS
The Janata Party swept to power
in six northern India states,
heavily defeating its Congress
rivals. But in West Bengal, the
left parties are certain to form
the Government and in Tamil
Nadu in the South, a party led
by a popular film star gained a
resounding victory. Page 6

• SCRAP VERDICT
Sports car enthusiast Mr. Claudio
Rigoli claimed in the High
Court for his Alfa Romeo Junior
Sport, which was towed away
by Islington Council and de-
stroyed while he was in Liver-
pool for eight weeks. The
vehicle, in need of spares, had
been three years on a parking
lot. After an adjournment, the
case was settled on undisclosed
terms. Back Page 15

• BRIEFLY
Spain went to the polls yesterday
amid elaborate security pre-
cautions, which failed to prevent
the explosion of several bombs.
Page 4

• BRIEFLY
Neighbour of Mr. Roland Moyle,
who admitted causing actual
bodily harm by riding a motor
cycle at the Health Minister of
State, was remanded for
sentence.

Uganda's weekly trade flights
from Stansted Airport are being
reviewed. Dr. David Owen,
Foreign Secretary, told the
Commons. Page 14

• ULSTER SCHOOLS are to go com-
prehensive. Page 10

• SCOTTISH NATIONAL PARTY MPs will
support the principle of direct
elections to the European Par-
liament. Mrs. Winifred Ewing
pledged in Strasbourg. Page 4

• SCOTLAND YARD has appointed a
senior officer to investigate
charges of police action against
pickets at the Gruswick film
plant. Labour News, Page 15

• COMPANIES listed pre-tax profit
to £5.85m. (£2.44m.) on sales of
£64m. (£4.6m.) in the half-year to
April 3. Page 25 and Lex

• ALGOTS, the Swedish cloth-
ing concern, has started bank-
ruptcy proceedings—the first
bankruptcy of a company listed
on the Stockholm stock exchange
since the 1932 crash of Ivar
Kreuger, the "match king".
Page 29

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• CHIEF PRICE CHANGES YESTERDAY
(Prices in pence unless otherwise
indicated)

• RISES
Associated Biscuits +71 +4
Automobile Security +19 +2
Automotive Products +83 +3
Hulme (H. P.) +12 +4
ComAir +100 +7
Jesca +240 +5
Unibee-Comber-Marc +11 +1
Aeron Motor +61 +34
EBC +57 +7
Jays Bros +220 +5
Browne Elect +366 +6
Tidant Group +45 +3
Varian Plantations +184 +16
Anglo Amer. Gold +184 +16
unifex +690 +37

• FALLS
Treasury 5pc 1980-29715 -1
Treasury 10pc 32.5-31.113 -1
Treasury 15pc 30.5-31.153 -1
Treasury 20pc 36.5-35.531 -1
Assoc. Newspapers +178
Buchanan +484 -4
EMI +220
Globo +510
St. Portman Estates +240 -9
Hawker Siddeley +643
ICI +394
Paterson Zochonis A +185 -5
Primrose +54 -5
Reynolds Parsons +183 -4
Thomson Org +183 -4

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AFTERMATH OF FINANCE BILL DEFEATS

Doubts grow among Liberals about renewing pact

BY PHILIP RAWSTORNE

Mr. James Callaghan last night appeared to be threatened with an autumn general election by growing doubts among Liberal MPs about the renewal of their pact with the Government at the end of the session.

In a party political broadcast, bairring it has suffered this week for more than another nine months, whether the agreement to sustain the Government could be continued.

The Labour Party is proving a difficult, fragile and internally divided partner. Unless they pull themselves together, we may have to have an election in the autumn," he said.

At the same time, Mr. Jo Grimond in London launched a vitriolic attack against socialism which he claimed could lead to political dictatorship.

But Government Ministers, though badly shaken by the series of humiliations on Tuesday, remained confident last night the pact would be maintained.

The Liberal threat was dismissed as "sabre-rattling". Mr. Steel is known to be anxious to renew the agreement. Ministers are convinced that he recognises it would be electoral suicide for the Liberals to precipitate an election.

Liberal MPs are also incensed by the free rein given to Labour's anti-Marketites and Left-wingers. Any repetition of events in the Finance Bill committee to break the pact by voting down the European legislation will be counterproductive.

Liberal demands on devolution are also hardening. Though accepting no further progress could be made this session, they are now seeking the publication of a new Government package before the summer recess.

"They expect it to include separate Bills for Scotland and Wales, tax-raising powers for

Continued on Back Page

Editorial Comment, Page 22

Disillusion

Disillusion is spreading among Liberal MPs over the Government's performance on the three main elements of its pact—devolution, direct elections and the fight against inflation.

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Economic
strategy
not in
danger

By Peter Riddell,
Economics Correspondent

The increase in income tax allowances approved by the Commons committee on the Finance Bill is an embarrassment rather than a major immediate threat to the Government's economic strategy and to the borrowing requirement limits agreed with the International Monetary Fund.

The Bank's assessment of the economic situation in its latest Quarterly Bulletin concentrates mainly on issues of monetary policy, and is unusual in containing no direct comment or recommendation on pay policy.

It makes clear, however, the Bank's view that excessive wage rises and continued high inflation would threaten the prospects of real economic growth within the year.

Furthermore, the Bank points out, the very sharp fall in interest rates in recent months—with minimum lending rate coming down from a peak of 12 per cent, to 8 per cent—has probably reflected expectations of lower price inflation.

This fall, and by implication the accompanying rise in gilt-edged prices, could be a satisfactory prospect for wages.

However, against the implied background of the present uncertainty over Phase Three of the incomes policy, the Bank adds: "A less satisfactory prospect might show that by May the market had over-reacted to improved expectations, and that an upward readjustment in interest rates was necessary."

The Bank is discussing with the banks the possibility of producing weekly money supply data to improve the ability of the authorities to monitor and react to sharp short-term fluctuations.

The concern about investment prospects is based on the evidence given in the Bulletin of a continued sharp decline in the real profitability of the commercial and industrial company sector, to a level clearly below that required for investment.

The same time, the cost of capital has been rising.

Details, Page 20

Bank warns
on pay rises
and inflation

BY MICHAEL BLANDEN

A WARNING that interest rates might have to rise again, if hopes of continued wage restraint and a fall in the inflation rate are disappointed is given today by the Bank of England.

If inflation remains rapid, therefore, "the more restrictive monetary conditions which would then develop would tend to reduce the rate of real growth."

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EUROPEAN NEWS

EUROPEAN PARLIAMENT DIRECT ELECTIONS

France close to ratifying proposal

BY DAVID CURRY

RATIFICATION OF the international accord to introduce direct elections for the European Parliament seems certain to be pushed through the French National Assembly without a vote.

With the Gaullists insisting that they would press their motion to put off ratification, Prime Minister Raymond Barre was expected to invoke the procedure which transforms any measure into one of confidence in the Government. If this is done, the proposal passes into law unless a vote of censure is passed.

The Socialists have confirmed that they would not put down such a motion: they approve the proposal by-and-large and have everything to gain by forcing the Government into using emergency measures against the Gaullists. For his part, M. Jacques Chirac, the Gaullist leader, specifically confirmed in his speech in the Assembly that in view of the proximity of the general election and the need to sustain the Government's economic programme the Gaullists would not table a motion of censure either.

It will be the first time that the emergency procedure, which has been used six times, has been invoked to ratify a treaty, and M. Michel Debre, the former Prime Minister and most passionate opponent of direct elections and himself the author of the controversial clause in

the 1958 constitution, has already lists launched a blistering attack on the recent record of the EEC. The Gaullists were impeccably European, he claimed, since only a united Europe could face up to the threat of the totalitarian regimes which endangered liberty and democracy and thus avoid Europe becoming the theatre of

The number of French unemployed rose to a new post-war record of 1,096,700 seasonally adjusted in May from 1,039,400 in April, the Labour Ministry announced yesterday. Robert

still to embark upon implementing the direct elections decision and the only country seriously threatened by the Communists' ability to meet the target date of May or June, 1972.

The direct elections debate resumed in low key to-day until M. Jacques Chirac went to the tribune to state the official Gaullist viewpoint. Speaking slowly and deliberately he described the long and deep study his party has afforded the Government's text, which had led it to make a protest of conscience.

As the Prime Minister sat impassively on the Ministerial benches literally under M. Chirac's nose, occasionally twiddling his thumbs but otherwise totally immobile, M. Chirac, former Prime Minister, MP for the Corrèze, Mayor of Paris, leader and messiah of the Gaul-

Marshall. This is equivalent to about 5 per cent of the working population. The cabinet has also formally adopted measures to increase old age pensions and improve housing for the elderly.

But what had happened to this intense card game when a television reporter announced that the election campaign had cost a total of Pts. 5bn and that an additional Pts. 100m. would have to be spent to clean the cities littered with posters which the recent rains had transformed into paper mache. Until the very last minute, candidates of the smaller parties were out in the streets late in the night with buckets, brushes and paste splattering posters on top of rival posters.

Direct elections are a device to mask the lack of will-power and purpose in the EEC," he declared as M. Faure, his bald head glistening, vainly called the Assembly to order. "The prime

partner seemed to value its relations with the U.S. more than its role in the EEC. Some wanted Europe to be a "Germano-American" creation.

France might see direct elections as no threat to sovereignty, but to create illusions."

Big EEC loans plan proposed

BY DAVID BUCHAN

THE EUROPEAN Commission year. Commission officials, along with the European Investment Bank (EIB), would administer investment growth in the EEC. M. François Ortoli, Commissioner responsible for economic and monetary affairs, said to-day, European heads of government, meeting on June 23-29, will be asked to "approve the principle of guaranteeing a line of credit" up to this amount.

In what is the first major initiative of the new Commission, the loans, M. Ortoli said, would be for "energy, industrial and regional projects." M. Ortoli who was M. Roy Jenkins's predecessor as president of the Commission, said that the EIB's figure had "not been picked out of a hat" but was the result of careful study since the start of the year.

It would not be raised in a lump, but "tranche-by-tranche" and then lent at a rate of "a few hundred units of account" a

BRUSSELS, June 15.

could not be provided through the proven competence of the EIB, which last year lent 12bn. u.s. much of it to energy and regional projects, the Commission replied that the Commission had been praised for its handling of its own loans on the international money markets and that there was room for increased loan activity by both the Commission and the EIB.

He added that he was asking member States to put no fixed time on the line of credit, so that the Commission could choose "the right time" to go to the market for the "right projects." It has not been settled whether the guarantee to lenders would be provided by member States or from the EEC budget itself, or by both.

Defending the need for another Community loan mechanism, Mr. Ortoli said that existing institutions were either too specialised, like the European Coal and Steel Community, or in the case of bodies with more general scope, like the EEC, were reaching their upper lending limits. He said that he hoped that national Finance Ministers would soon agree to increase the EIB's capital.

Asked why the extra loans

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WORLD TRADE NEWS

Shah seeks nuclear barter deal with France

By Robert Maunher

PARIS, June 15. IRAN IS prepared to sign a barter deal with France for four additional nuclear power stations against oil, the Shah of Iran said in an interview with the French radio to-day. The Shah said that the conclusion of the deal now depended on the French, who had yet to give their reply to Iran's proposal.

France recently signed a contract with Iran for the supply of two 900 MW power stations, worth Frs.10bn. (about £1.2bn.). The power stations are being built by Framatome, the Creusot-Loire nuclear subsidiary. The two plants are being built at Darukin on the Karun River, about six miles from Khorramshahr on the shores of the Gulf.

President Giscard d'Estaing said during a visit to Tehran last November that the Iranian Government was planning to buy a total of eight power stations from France.

Meanwhile Reuter reports that Alsthom-Atlantique said it is not largely responsible for the delay in building a Frs.2.5bn. hydro-electric station in Iran. Iranian Prime Minister Amir Hoveida told a meeting in Tehran last week that the company has delayed construction because of errors in geological soundings and may receive no further orders from Iran.

Alsthom has provided only four generators for the Reza Shah plant, worth Frs.57m. in 1970, and these have been in place for over a year, the company added. It has not carried out any preliminary geological work, but is responsible for a delay of several weeks due to a minor equipment breakdown, the spokesman said.

Soviet contract

PARIS, June 15. SPIE-BATIGNOLLES, an engineering concern, and Air Total, a member of the Cie Francaise des Petroles (CFP) group, announced they have been awarded a Soviet contract worth Frs.155m. to install fuelling equipment at four Russian airports including the international airport at Moscow.

The contract calls for the supply and installation of 6,000 tonnes steel pipe and equipment for the pumping, distribution and metering of aviation fuel.

AF-DJ

Fiat is tipped to build Venezuelan motor plant

By JOSEPH MANN

CARACAS, June 15.

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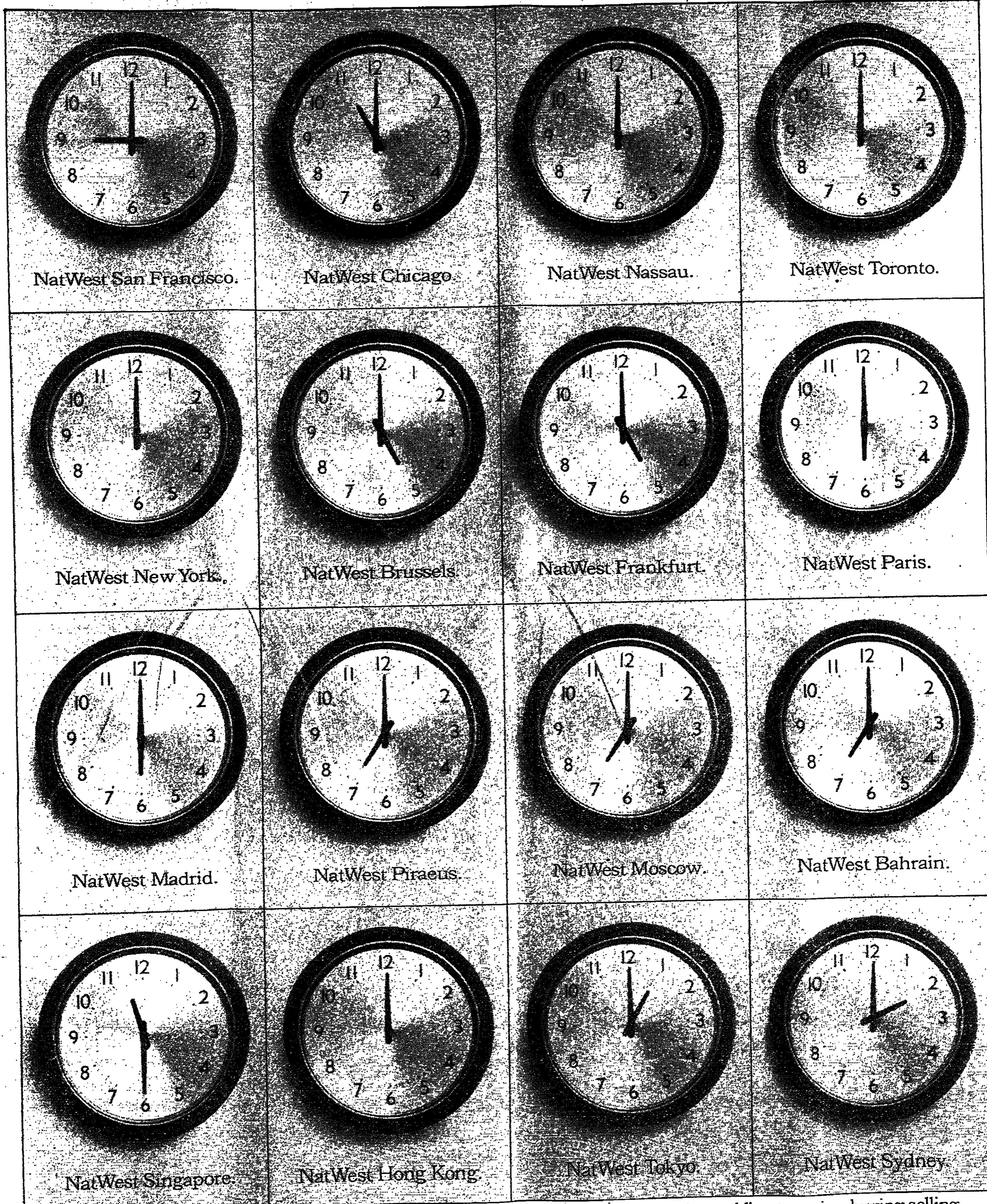
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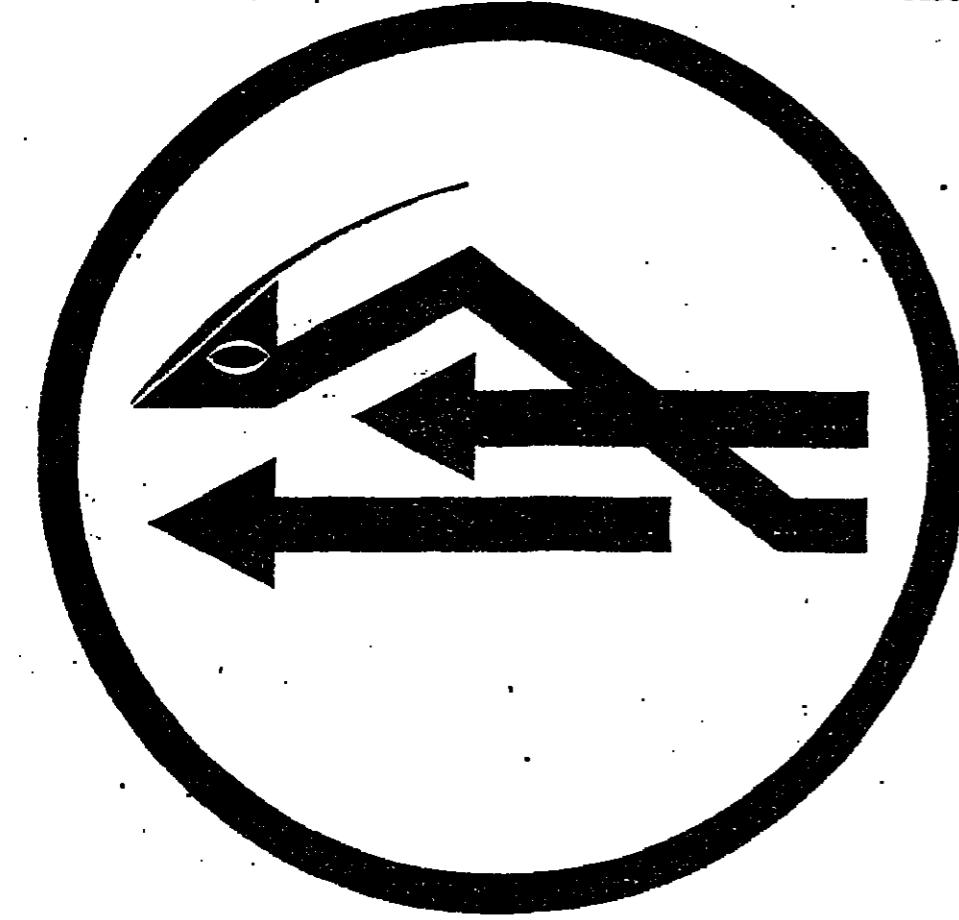
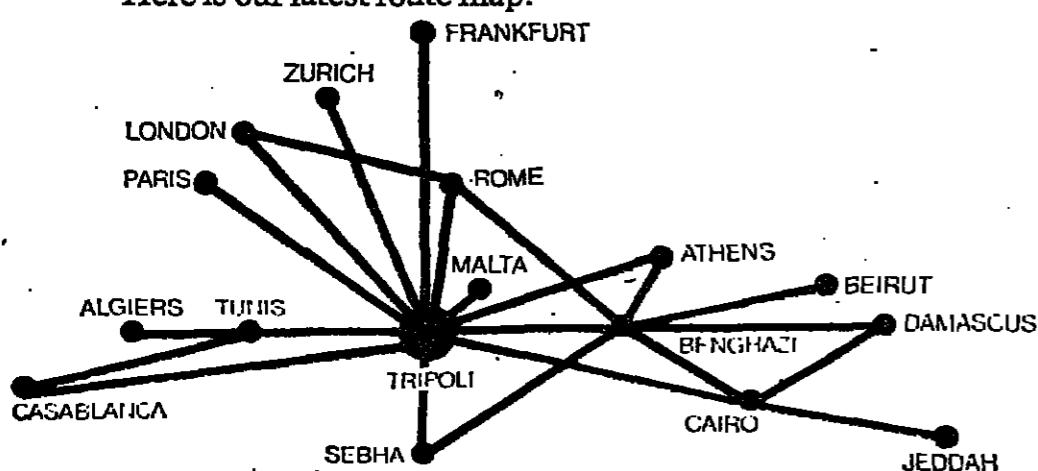
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Oil rig service deals may top £300m.

By Ray Daftor,
Energy Correspondent

THE OFFSHORE oil industry has begun to arrange maintenance contracts that could be worth between £300m. and £400m. annually by the early 1980s.

As production builds up towards energy self-sufficiency over the next three years, offshore operators are setting a level of inspection and maintenance totally new to the oil industry.

One of the first comprehensive maintenance contracts to be arranged was announced yesterday by P & O Subsea.

The company has won a three-year contract, worth about £3m., for underwater inspection and maintenance on Hamilton Brothers' Argyll Field.

The work will be carried out as part of a larger £10m. three-year maintenance contract won by Strongwork Diving International—the main contractor for the Argyll Field work.

'Mini sub'

Star Offshore Services are also involved in what has been described by P & O as the first ever offshore oil field maintenance contract involving a submersible "mini sub."

Submersible-supported work as well as bell diving will be used in the underwater servicing. Vickers Oceanus BP's subsidiary Sonarmarine and Comex are among other submersible operators which see a big increase in sub-sea maintenance work.

This year the oil industry could spend about £50m. on the inspection and maintenance of platforms, pipelines and well systems. It has been estimated that over the life of the North Sea oil activity over £1bn. will have to be spent on these services.

Operators with gas producing interests in the southern sector of the North Sea are already finding that their production installations need more upkeep than originally envisaged.

Breakthrough

P & O Subsea has so far invested £10m. on equipment, a figure which could double in the next two years.

Mr. Iain Davies, its commercial manager, said yesterday that the company had made a breakthrough in underwater work. Using a submersible and support vessel only, the company had begun to remove and recover abandoned sea-bed well-heads.

When equipment is lowered from drilling rigs, the normal method of removal, the work can cost £30,000 to £50,000 per well. Well head removal can be much more costly, however, when all companies decide to undertake the work once the oil rig has moved from location.

Insurance claim forms criticised

By Stuart Alexander

A CALL for improved insurance claim forms, a warning on quality when buying in bulk, and criticism of some colour photograph processing houses are the main points in the latest edition of Which?, the Consumer Association magazine.

A survey of 70 claims forms issued by insurance companies showed the vast majority needed substantial improvement, says the magazine.

Copies of all the forms had been sent to the Office of Fair Trading with a request for its attention and the matter had also been brought to the attention of the Government and the British Insurance Association.

The main criticism is that it is not easy to calculate the correct amount to claim, particularly where the value of the item had risen since its original purchase. And it claims that the forms are always helpful.

Which? says savings of about 10 per cent. can be achieved by bulk buying food, and that could mean up to £70 off a family's grocery bill in a year. However, some buyers had found that the quality of some items, such as tea and tinned liquid, were worse when bought in bulk.

Green sand and pink rocks were sometimes the results of sending colour films to be developed and printed by some processors. Which? advises customers to complain and demand reprints in the event of poor service, and adds that a watch should be kept for special offers as these can sometimes save half the cost.

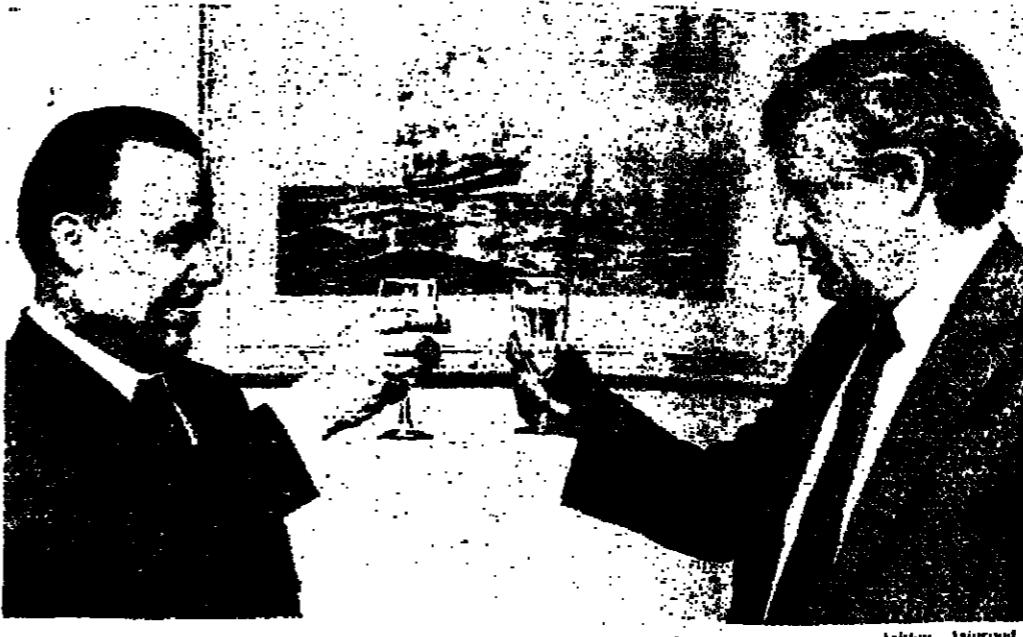
Eleven-plus dropped in Ulster

By Our Belfast Correspondent

THE GOVERNMENT has decided that the controversial 11-plus selection procedure will be dropped immediately in Ulster schools.

The announcement was made yesterday by Lord Melchett, Minister of State at the Northern Ireland Office. The Government plans, however, to not take the Province any closer to integrating the education of Protestant and Roman Catholic children.

HOME NEWS



Reminder for Russians

Mr. Edmund Dell, Secretary for Trade (right), and Mr. Timofei Guzhenko, the Soviet Merchant Marine Minister, celebrating after the signing in London yesterday of a protocol to the 1968 Anglo-Soviet Treaty on Navigation.

Mr. Dell took advantage of the occasion publicly to remind the Russians of the anxiety felt by Britain and other Western maritime countries at the continued expansion of the Soviet merchant fleet.

Three days of talks had proved useful and progress had been achieved on issues concerning bi-lateral trade, said Mr. Dell, but on the key problem of Soviet freight rate cutting no headway had been made.

But both Mr. Dell and Mr. Stanley Clinton Davis, the Department's Under Secretary, who lead the British negotiators, were encouraged by the fact that Mr. Guzhenko had agreed to further talks being held on the outstanding issues. Mr. Clinton Davis has been invited to visit Russia for this purpose.

Mr. Guzhenko expressed a willingness to "co-operate" over the problems caused by Soviet underpricing of conference liner rates but it will be some time before it becomes clear whether this indicates a softening of Russia's aggressive shipping policies or merely British shipowners' fear is based more on military than commercial considerations.

More cash and new laws to end inner city decay

By STUART ALEXANDER

A LONG-TERM commitment to £125m. in 1979-80 although the vacant or underused land which combat the problem of inner city decline is contained in a White Paper, Policy for the Inner Cities, published yesterday.

As well as incorporating the Government's intention to boost capital spending, it promises legislation to extend the powers of local authorities, and emphasises partnership arrangements between central and local government.

It also calls for a "new and closer form of collaboration" with the private sector, representative organisations, voluntary bodies, and the people living in the inner areas.

As part of the process of achieving a new balance, the Government had, for some time, been reviewing the role of the new towns. Accordingly the long-term population targets for the third generation new towns had been reduced and some of the resources would be redeployed.

But over the next seven or eight years the momentum of new town development would be substantially maintained.

The urban programme, as already announced, would be boosted from under £30m. a year to £100m. in 1979-80.

Concrete suppliers may face court

By Michael Cassell,
Building Correspondent

THE OFFICE of Fair Trading is expected to take four ready-mixed concrete suppliers to the Restrictive Practices Court after a three-month investigation.

The Office of Fair Trading began investigating trading arrangements of the four companies in the Thames Valley region after Press allegations about a price fixing ring. It is understood that about 12 other companies in the same area are also under investigation.

The companies involved are Topmix (Southern), Mixconcrete, Summerglaze, Gravel and Ready Mixed Concrete (Thames Valley).

The Office of Fair Trading has now placed the four on the Register of Restrictive Trading Agreements, details of the four company arrangement as it was maintained between February and May last year. It has been abandoned since Office of Fair Trading investigations began.

The register states that, under the arrangement, the four companies allocated between themselves all known work in the Thames Valley area. They then agreed a particular price for the job in question and the party allocated the business quoted below this level while the rest asked a price above it.

To operate a restrictive trading agreement is not a criminal offence, but any parties which claim to have been harmed by one can take legal action.

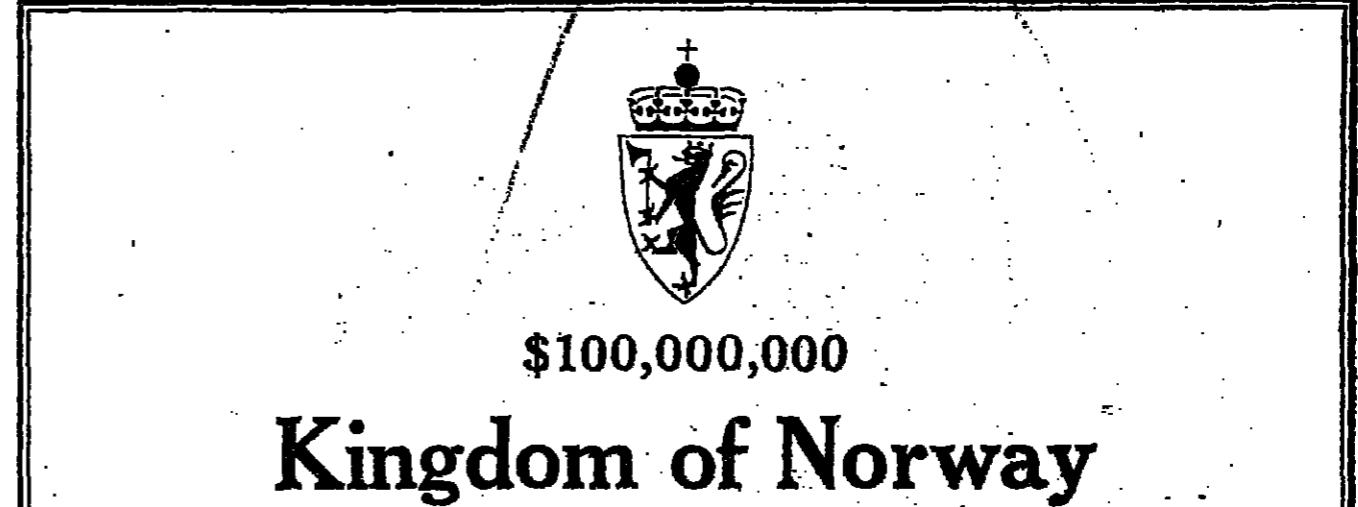
If the Thames Valley cases are taken to the Restrictive Practices Court, the companies involved are likely to have an order made against them preventing them from again operating the agreement, or any similar arrangement.

Planner calls for freeports

THE GOVERNMENT should consider making small areas of some of the country's decaying cities into "freeports" with virtually no planning or other controls, says Professor Peter Hall, a leading academic planner.

The aim should be to "re-create the Hong Kong of the 1950s and 1960s inside inner Liverpool or inner Glasgow," he told the Royal Town Planning Institute's annual conference at Chester yesterday.

He suggested that such "freeport" areas would be outside U.K. exchange controls. Businessmen from the Third World would be welcome to come in and set up their factories.



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June 1977

HOME NEWS

National Bus made £4m. profit last year

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

THE State-owned National Bus Company went back into the black last year, earning a surplus of more than £4m., compared with a deficit of £15m. in 1975.

The company's annual report, published yesterday, paints a picture of increased thrift and efficiency, but points out that improvement in the financial situation was accompanied by a 9 per cent. fall in the number of passenger journeys. The number has dropped by almost a third since 1969.

The unusually large fall in 1976 was partly a result of increased fares. During the year, average receipts per passenger journey, a broad measure of the average increase in fares across NBC's 40 operating companies, went up by 26 per cent. on 1975.

The loss of passengers is also blamed on the fall in leisure travel during last summer's heatwave, but it is noted the downward trend had eased off by the end of the year.

Another worrying feature of the report concerns National Travel, the company's operator of White Paper on Transport, the coach and express service. NBC's fares were up by more than 26 per cent. while passenger numbers fell by an alarming 10 per cent.

In spite of these factors, the service increased its revenue by 20 per cent. to over £29m. and age figure was down 3.7 per cent. recorded a small trading surplus on 1975.

The loss of business is attributed to the general state of the economy.

Looking to the year, the report says further improvement in the financial picture will require "both continuing efforts and a degree of good fortune."

Three negative factors are foreseen: the impact of EEC regulations on drivers' hours.

It is noted the improved financial performance meant that almost all net capital expenditure was met from internal resources, although interest charges rose by £3m. (38 per cent.) to nearly £11m.

The report says, however, subsidiary companies' cash resources are still inadequate to withstand prolonged disruption of services by industrial action or even bad weather. There were no major strikes in 1976.

Another improvement last year was in the delivery of new vehicles, delays in which had caused considerable problems in 1975. Nevertheless, 303 vehicles due for delivery were still outstanding at the end of the year.

National Bus also made a profit last year from its joint interest with British Leyland in Bus Manufacturers, a group whose extension was proposed earlier this year by Leyland in an attempt to obtain financial backing for a new generation of double-deck buses.

Last year, the company retained profits of £914,000 from its share in Bus Manufacturers.

Fail to pay

On this last point, the report says some authorities were failing to pay NBC companies the amount they receive from Government for bus support. It is pointed out the amount spent by the non-metropolitan counties on bus services is actually decreasing in real terms.

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Rush hour service may be hit by reduced mileage scheme

BY DAVID FREUD, INDUSTRIAL STAFF

THE NATIONAL Bus Company plans to reduce bus mileage by 13 per cent. over the next few months, mainly by withdrawing park facilities.

The reduction, equivalent to 7.8m. miles over the year, follows predictions in January of a total annual cut of 3 per cent.

The cuts have been caused by a lower level of grant support by local authorities, whose transport budgets have been put under pressure by the Government.

Mr. Robert Brook, the chief executive, said in London yesterday, "the cuts would be phased in as quickly as we can decide

on the councils' attitudes and negotiate with the unions."

The prime target would be the peak-hour services, whose incremental cost would represent the greatest saving.

Although no further fare increases were planned, there could be further pressure on services and fares if concessionary allowances are cut by councils. About 15m. derives from concessions and pensioners affected by their removal are likely to travel less—thus reducing overall revenue.

Sir Freddie Wood, chairman, said although the £4.4m. surplus was a considerable achievement, it was still not good enough to make the company financially

Warning on wasted revenue from oil

By Ray Daffer, Energy Correspondent

Shoe manufacturers fear imports will erode industry

BY CHRISTOPHER DUNN

A RISING TIDE of shoe imports is sapping the energy, will and confidence of British manufacturers, according to Mr. Monty Sumray, president of the British Footwear Manufacturers' Federation.

Competing with shoe imports means producing at a loss and led to bankruptcy. Mr. Sumray said yesterday at the Federation's annual meeting in London.

Imports in the first three months of this year rose by 25 per cent. in volume. There was a 41 per cent. rise in the volume of shoe imports last year.

If the trend continued, one out of every two pairs of shoes sold

in Britain by the end of the year would be foreign.

Mr. Sumray called on the Government and the EEC to act immediately to prevent further erosion of the U.K. footwear industry by these "unfair" imports.

His plea for outside intervention comes against a background of failing production in a static home market, which meant last year that 600 employees were registered for Temporary Employment Subsidy.

Shoe exports, however, rose by 10 to 15m. miles last year and there has been a further improvement so far this year. The aim is to double last year's export figure by 1980.

Jobs campaign launched by self-help agency

BY CHRISTOPHER DUNN

A new move to create work on help to ease Merseyside unemployment.

Mr. Barnes hopes to identify at least two viable projects within six months and to persuade local companies to release personnel, with contracts and job specifications for the projects, shortly afterwards.

Baked by a grant of £40,000, ARC founded three years ago from the Bowtree Trust, the work on the basis that companies want to help to ease Liverpool's deprivation in the U.K.'s inner former Harland and Wolff cities but prefer to second personnel, who had just completed son to projects rather than a study on how industry can spend money on them.

Bid to boost Cumbria

BY OUR WINDERMERE CORRESPONDENT

MRS. ISABEL JAMES, elected this week as chairman of the a county councillor and member of the Lake District special planning Board, sees the Lake District's most important job in the coming board, said that, apart from the creation of a spreading of the tourist season, she also wanted to spread the more wealth and more employment in the area.

"I would like to see more consideration given by the tourist Board to promoting development in the area which will provide more wealth and more jobs," she said yesterday.

"Small businesses in particular, I would like to encourage, because they not only stimulate more jobs, but keep their money in the area."

Mrs. James, who lives in Grasmere, said that any development in Cumbria should be "environmentally satisfactory" and in no way damage the environment or the quality of the

area of tourism, so that more places in the county were in the outside world, and visitors had a wider choice of environment and opportunity.

"The tourist board through its important central marketing activities, can then channel people more to the type of holiday they want," she said.

A SCHEME to train inmates of state, when they can live for a period in conditions of controlled freedom, the Board said in its annual report.

The matter of the greatest urgency. Their abrupt release into the world, should be set up as a annual report.

The Scottish Parole Board said community

youngsters have no "half-way

home."

About £60m. came into Cumbria through tourism during the year, but "we should be getting more."

Unlike adult prisoners, the

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D. Dukes: "Indirectly, yes. You see, we grew by a series of acquisitions and amalgamations. Each company had its own sales and distribution system—typically hand-written invoices, delivery notes, etc.—and standardisation was essential. Obviously, the answer was a computer based system."

L.P.: "And when you'd chosen the right computer you had to choose the right method of data entry?"

D. Dukes: "That's right. One of the basic constraints of our business is that we take orders up to 3.30 pm and pack them on the same day for despatch at 7.30 am the following morning."

L.P.: "You needed a really fast and efficient system then?"

D. Dukes: "Yes, that's why we decided on your OMR input documents because they are specially designed to feed the required

information straight into the computer, cutting out time-consuming operations like punching and verifying. Error-free customer invoices are produced within minutes of a depot taking an order."

L.P.: "So the new systems have revolutionised the sales and distribution organisation within your company?"

D. Dukes: "Certainly. And the 4-part invoice and delivery note which the computer prints out provides for the retention of greatly improved management information."

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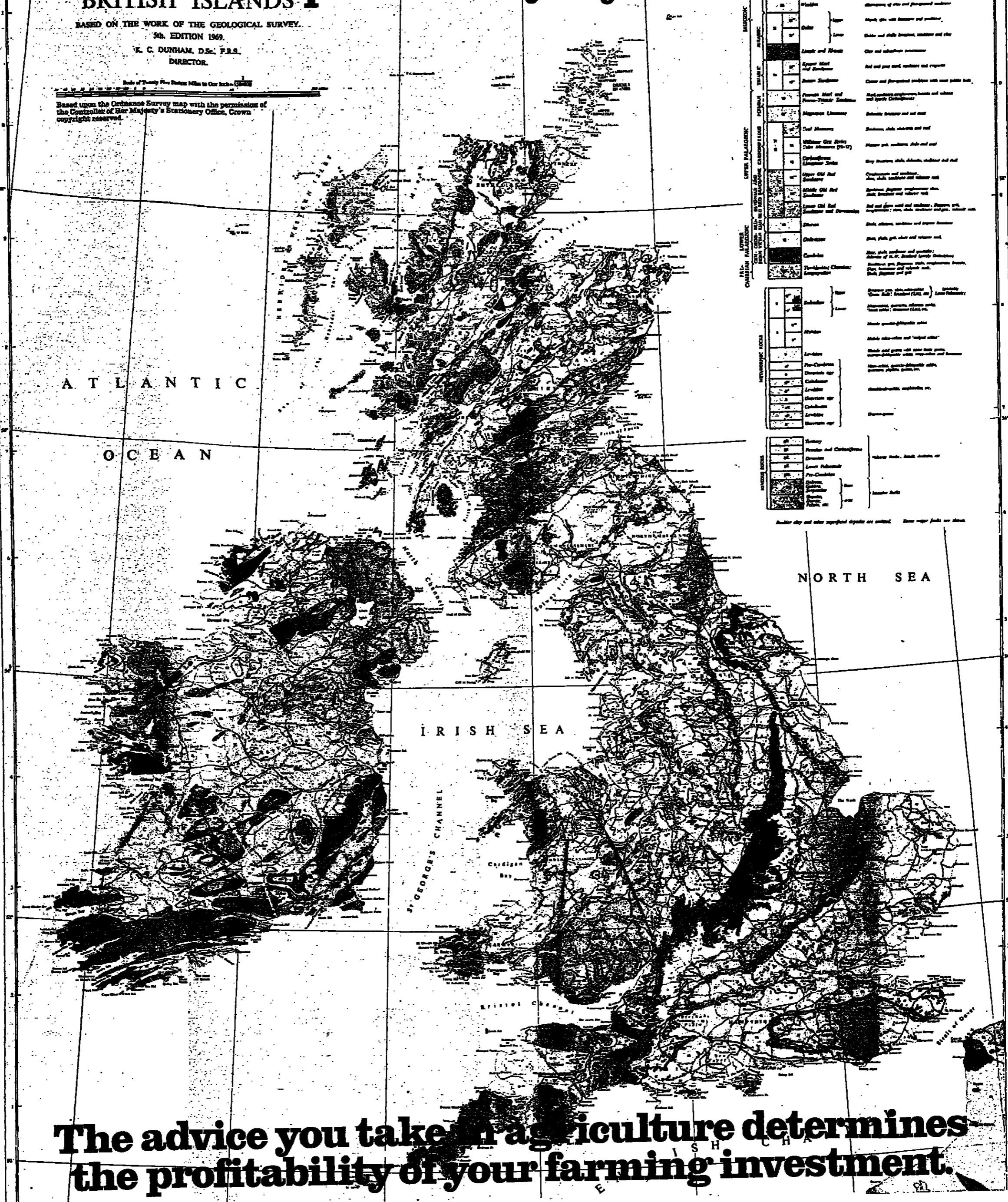
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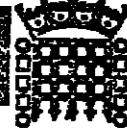
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Tories want private funds injected in New Towns

BY IVOR OWEN, PARLIAMENTARY STAFF

MAJOR CHANGES in the financing of the New Towns, with money obtained from the sale of realisable assets and the encouragement of private sector investment reducing demands on the National Exchequer, were suggested by Mr. Keith Speed, Conservative spokesman on local government, in the Commons yesterday.

To the apparent surprise of the Government benches, he announced that the Opposition would vote against the second reading of the New Towns Bill, which seeks authority for an increase of £500m. to £2,750m. in their existing borrowing limits.

Provision is also made in the Bill for a further increase of £500m. in the borrowing limits to be made by Order subject to the prior approval of MPs.

While insisting that the Opposition was in no sense "anti-New Towns" Mr. Speed accused the Government of using the Bill, which would permit the expenditure of another £500m. over the next year or two, as the "easy way out" of the problem of how they could best be financed.

He saw major advantages for the New Towns in attracting fresh injections of free enterprise new money and suggested that many of their realisable assets had a very high value.

"Indeed, it would probably make a good deal of sense if there should be no public money

some of them were sold off. They ought to go a long way towards funding the £500m. we are asking about."

Mr. Speed sharply criticised Ministers at the Department of the Environment for refusing to initiate action to secure an up-to-date valuation of the assets of the New Towns.

He also condemned the Government's failure to heed recommendations of the Commons Public Expenditure Committee which had stressed that the advantages ought to be taken of the opportunities to raise money from the market at the most advantageous rates.

Replying to interjections from backbench Labour MPs, Mr. Speed complained that they were resorting to emotive language in suggesting that the Conservatives were advocating that New Town assets should be sold off to "speculators."

He believed that there were commercial and industrial assets in the New Towns for which people would be prepared to pay fair and reasonable prices. There were also cases, he stated, where private sector companies were anxious to acquire freehold sites in New Towns but were prevented from doing so by existing policies.

Mr. Speed emphasised that the present estimate was that the limit would be exhausted in about September or October. Inflation and the recent exceptionally high interest rates had combined to increase expenditure in New Towns as elsewhere, and to bring forward the date at which a new borrowing limit was required.

He explained that in the longer term, the proposals amounted in April for the re-shaping of the programme for five third-generation New Towns.

Five third-generation New Towns could be expected to produce substantial savings in capital expenditure by the development corporations.

"However, these savings will not begin to accrue for some years, and for many reasons we are reading by 1980-81, Government majority 39."

for the New Towns or suggesting a course of action towards the ultimate targets for New Town growth has been reduced."

But at a time when the need for constraints on public expenditure was apparent to all, means of reducing the demands made by the New Towns on taxpayers' money should not be ignored.

Mr. Peter Shore, Environment Secretary, recalled that in May last year, it was estimated that the existing borrowing limit of £2,250m. would not be reached until towards the end of this year.

The present estimate was that the limit would be exhausted in about September or October. Inflation and the recent exceptionally high interest rates had combined to increase expenditure in New Towns as elsewhere, and to bring forward the date at which a new borrowing limit was required.

He urged MPs to measure the achievements of the New Towns in the 250,000 houses they had built or assisted others to build, and in the 220,000 industrial jobs they had helped to create, often in new and expanding high-technology industries.

Mr. Shore said he hoped to see an increase in the number of people in New Towns owning their own homes. Development corporations were free to make land available to private builders, building houses for sale, and in 1976, land was made available in 19 out of the 28 New Towns in Britain.

He was anxious to see more private house-building, especially in the third-generation new towns, which would go on building well into the 1980s. "I hope that private firms will take the opportunities which are available to them in these towns," Mr. Shore added.

The Bill was given a second reading by 179-140, Government majority 39.

Grimond sees risk of 1984 society

Owen rejects call to quit Market

FINANCIAL TIMES REPORTER

DR. DAVID OWEN, Foreign Secretary, yesterday warned his Labour colleagues that it would be electoral disaster for the party to propose withdrawal from the Common Market.

Replying to Left-wing critics, Dr. Owen declared: "The British people do not like a Government which expects his views to be taken or a party to change course two years after putting the issue to Government Ministers are allowed to speak and vote against it."

"It may well be that the Government policy."

British people and this Parliament, as they constitutionally have every right to do, may wish to reassess the question of promise to "use its best endeavours" to secure direct elections.

"That is open to them. But elections, to do so, after such a short period of time, would be little believed such a vote would short of a disaster."

Mr. Roy Hughes (Lab. Newhaven) had argued that it would mean to include a specific promise in MPs to exercise their own independent right to judge from this negotiation. "There is more chance of this for Britain's withdrawal from the Market. Membership legislation being carried through for Britain has been an unmitigated disaster," he said.

Mr. Peter Blaikie (C. Blackpool South) wondered if the decision was consistent with the Government's

By John Hunt, Parliamentary Correspondent

THE GOVERNMENT intends press ahead with its economic strategy despite the massive defeat it has suffered on the Finance Bill. Mr. Joel Barnett, chief secretary to the Treasury, said yesterday.

His remarks came as the committee stage of the Bill was resumed following the Government's defeat last night when Labour's Mrs. Audrey Williams (Coventry SW) and Mr. J. Rooker (Perry Barr) combined with the Tories to force three amendments increasing personal income tax allowances at a total cost of £450m.

Mr. David Howell, Conservative Treasury spokesman, claimed yesterday that the defeat meant that the Chancellor's financial strategy was "in tatters" and the Government "ceased to govern."

But in reply, Mr. Barnett made it clear that he has every intention of getting the Bill through committee. In fact, it is understood that the Government hopes to finish the committee stage next week or the following week at the latest.

"I don't consider the Bill is in tatters. The Bill is a gone one, but it would have been better without the amendments," he said.

"We propose to proceed with the Bill and with our economic strategy. We shall succeed at a General Election between now and October 1978. We shall succeed with that also, and then continue with our economic strategy," he declared.

Mr. Howell protested that a Government reversal of a previous night put the whole future of the Bill in question.

He called for a statement from Mr. Barnett in order to clarify what the Government's intentions now were.

"We have been told that in the job of this Government, it governs. But as far as the work of this committee is concerned as far as economic policy is concerned, it has clearly ceased to govern."

Mr. Howell accused Mr. Barnett of having made "wild accusations" outside the committee on Tuesday night about the irresponsible attitude of Conservatives in pressing the amendments on tax relief.

The Conservatives had been proposing changes in the structure by which relief should be raised.

He argued that the government seemed to believe that with it was negotiating a new Phase Three pay deal with the unions.

He said that the Opposition should stay silent and that Parliament and the committee should not have any say on taxation matters.

"We welcome the return of the discussion of tax matters to their proper place in Parliament and the committee," Mr. Howell added.

Business travel concession

TAX CONCESSIONS on the expenses of U.K. business travelling abroad were announced last night by Mr. Joel Barnett, Chief Secretary to the Treasury, during the committee stage of the Finance Bill.

The changes will not, however, need an amendment to the Bill as they can be carried out under existing legislation.

The effect will be that U.K. residents who make long business trips abroad will not face tax on their basic expenses as they do at present. Mr. Barnett said that he had received many representations on the problems of expenses relief and this was an area where some assistance could be given by administrative means.

At the moment, he explained, a person going abroad on a short visit for the purposes of U.K. trade was entitled to relief on travelling expenses and the cost of subsistence abroad. But a person going for a longer period had all or part of his subsistence costs disallowed for tax purposes.

"I think it is unfair. It could have a significant deterrent effect."

The Government would not be offering more liberal relief within the existing law so that the additional cost of living abroad, which was personal to the individual, would not be disallowed so long as the absence abroad was clearly for the purpose of profession, trade or vocation.

In the early hours of yesterday morning the Government accepted an amendment moved by Mr. Nicholas Ridley (Cirencester and Tewkesbury) which increases the level of tax relief on Savings Bank interest. At the moment relief is given on the first £40 and the Finance Bill proposed that it should be raised to £50. It will now go up to £70 as a result of the amendment.

Privileges claim fails

THE SPEAKER ruled in the Commons yesterday that a newsletter issued by the Society for the Protection of the Unborn Child was not a matter to be considered as a breach of Parliamentary privilege.

Hattersley prices freeze thinking revealed

BY RUPERT CORNWELL

MR. ROY HATTERSLEY, Prices Secretary, last night issued a veiled but unmistakable appeal for the Government to freeze public sector prices and allow the pound to float higher as the best means of controlling inflation.

His call for what amounts to major changes in present Government thinking came in a circuitously worded speech—as near as a loyal Cabinet Minister can normally come to challenging policy in public.

It also betrays his growing impatience at the powerlessness of his own Department to deal with the problem on its own, notwithstanding the new Prices Code which is now before Parliament.

In an address to a party rally another wage round and it is the

real reason for Mr. Hattersley to make his remarks about the

value of the pound according to our need to encourage exports by allowing it to fall, or according to our wish to reduce import prices by keeping its value high.

Should prices in the public sector be held down to the lowest level consistent with maintaining the efficient operation of our nationalised industries, or should their prices be used to find extra revenue and reduce the public sector's borrowing requirement?

The Prices Secretary's answers in each case came through plainly. But this would imply not only altering the Treasury's present strategy on sterling, but also opposing public sector price increases such as the recent controversial gas price rise as well.

"This is quite inexcusable. We were shocked at what we found, and these cases should never have occurred," he said.

The report acknowledges the importance of arms sales even at uneconomic prices in reducing procurement costs, bolstering the balance of payments, and maintaining employment.

But it is "scorify" of the Ministry's costing procedures which, until this year, had not been reviewed since 1967. "Such a long delay is unjustifiable. In any trading activity, selling prices should be based upon up-to-date information."

According to the report, in 1975-76, the DSO negotiated £206m. of land systems equipment, of which £129m. had been below their "full economic cost" £58m. at that cost, and only £19m. at a genuine profit.

Prices for arms exports should be as high as possible, the report adds. "We would not regard it as sound policy if a substantial proportion of sales were at prices which gave the DSO the reputation of being easily persuaded to sell brand new equipment at a loss."

The committee wants comprehensive accounts to be published

on telephone to a pay a levy of 5 per cent on sales. Later, the Ministry agreed to change this flat rate to a different basis and repay some £400,000 to the manufacturer.

As a result, the total finally paid was only £53,000, compared with £700,000 that would have been payable at the fixed rate.

The committee was unimpressed by the Ministry's explanation that had insisted on the 5 per cent flat rate, the company had made a loss because costs had risen rapidly since 1973 when the telephone arrangements were made.

Basnett confident pay accord will be reached

BY PHILIP RAWSTORNE

MR. DAVID BASNETT, leader of the General and Municipal Workers' Union said yesterday that he was convinced there would be an understanding between the Government and the trade unions that would provide for an orderly return to free collective bargaining.

"It will ensure that we do not have a wages explosion," he said at a Press Gallery lunch at the Commons.

Mr. Basnett said that the two years' voluntary incomes restraint had placed unions in a difficult dilemma, but a majority in the TUC still wanted to maintain the social contract.

Public sector unions recognised that there was only a limited amount of money available and if it were all taken in wages, there could be no increase in jobs.

The TUC had already agreed to maintain the 12-month interval between settlements, thus ensuring that the end of Phase Two would not be followed by a wage race.

But Mr. Basnett said the unions would be looking for a greater commitment from the Government to reducing unemployment, stabilising prices and economic growth.

As a member of the National Enterprise Board, he believed the Government should now consider providing the NER with a £10m. a year fund to extend its operations.

Written Answers

TREASURY

Mr. Tony Newton (Con. Braintree). What would be the revenue cost of raising the starting point of higher paid employment from £5,000 to £7,500 for the current financial year. What is the estimated number of tax returns that would thereby be saved?

Mr. Robert Sheldon, Financial Secretary. Information on which to base a precise figure is not available, but it is estimated that in a full year the cost would be about £15m. and that about two-thirds of this cost would be incurred in the current year. I regret that the information is not available on which to provide an answer to the remainder of the question.

Mr. Jeff Rooker (Lab. Birmingham, Perry Barr). In view of the rise in the single persons' retirement pension to a figure above the proposed single persons' income tax threshold, will the Chancellor make a statement regarding those pensioners who do not benefit from the age allowance?

Mr. Robert Sheldon. Persons under 65 whose only income is the standard pension will not have to pay tax in 1977-78, since it is not the Revenue

practice to assess the very small amounts of tax that are payable in these circumstances.

When Clive Lloyd hits 65 Standard Life will give him a benefit.

Right now, Clive Lloyd is only 32.

So he's going to be giving England and a lot of other test and county teams a headache for many years to come.

When the time comes to hang up his pads, though, he certainly won't be worried about money and security. Because in 1971 he took his insurance broker's advice and came to Standard Life, the famous British, Edinburgh based company that has specialised in life assurance and pensions for 150 years.

We give him what he needs, and what you need.

Extra cover Standard Life

The largest mutual life assurance company in the European community.

July 1977

LABOUR NEWS

NALGO rejects tough line on Phase Three

BY DAVID CHURCHILL IN SCARBOROUGH

BRITAIN'S fourth biggest trade union, the 700,000-member National and Local Government Officers' Association, at its annual conference in Scarborough, yesterday resoundingly rejected demands for a firm policy opposing a new Phase Three pay deal. The union's policy now will be to give qualified support to any new incomes policy negotiated between the Government and the TUC.

The size of the conference decision—by 442,258 votes to 28,759—came as a surprise given the union's anger over Government policies on prices, unemployment and public spending. But delegates accepted the NALGO leadership's view that a further agreement on pay between the Government and TUC is essential to overcoming Britain's economic difficulties.

But this policy is conditional on Government action on the

A second resolution, opposing avalanche of pay claims by the social contract and calling for a new pay claim from August 1, was rejected overwhelmingly by a show of hands.

This clear indication of NALGO's determination to maintain its traditional moderate position—in spite of its public anger over Government policies—was shown by the conference decision to call off a 10-week-old national overtime ban. The ban,

Mr. Geoffrey Drain, general secretary, said later that the conference had overwhelmingly decided not to reject the present social contract nor to "bar the way to a new understanding between the TUC and Government if one can be negotiated on which he is a member. He described as "intolerable" those

But he warned the Government unions who were seeking to avoid settling under Phase Two that if such an understanding were broken by some militant and wait instead for the union and there was "an more flexible Phase Three.

Agreement expected on mine bonus plan

By Alan Pike, Labour Staff

MINERS' representatives and National Coal Board officials yesterday discussed details of a new pit-based productivity scheme which the industry hopes to be able to introduce soon after the expiry of Phase Two.

At present, the union-management working party, which will meet again on June 28, is confined to considering technical details of the proposed scheme. When these are settled the National Union of Mineworkers executive and the Board will enter formal

negotiations.

Unless there are unforeseen difficulties, agreement is expected to be reached comparatively quickly. Both sides are concerned to have a scheme ready for early introduction if productivity agreements are approved under whatever arrangements succeed the present phase of pay policy.

The industry's existing national productivity scheme has failed to boost either output or earnings. Moderate miners' leaders hope a realistic bonus scheme will not only increase production from the pits but will relieve pay pressure among their mem-

Legal action against Grunwick considered

BY NICK GARNETT, LABOUR STAFF

THE UNION involved in the ten-month Grunwick dispute is this situation is messy and confused, although specific activities by both pickets and police appear to worsen the trouble.

Many of the pickets refuse to move when they are told, show hostility to the police before any trouble has started and usually try to make a fight of it when arrested.

There was one incident when some pickets charged one the factory gates and on another occasion they made an attempt to stop a coachload of workers from entering the factory.

The police, however, appear to use more force than necessary and seem to change their decisions on how many pickets will be allowed to stand at any one place, something that confuses and annoys the pickets.

The tactic of containing trouble that has already broken out by forming a tight line and crowding pickets into a tight space infuriates them and under the general circumstances it becomes difficult to carry out any kind of peaceful picketing.

Two solicitors who had been called in by Great Trades Council to watch what had been seen as disturbing and the police had acted unnecessarily.

Picketing at the Walsall factory's two sites yesterday was ended by more violence in which 17 were arrested and five police injured, one of them had to have hospital treatment.

Police were involved in several

scuffles in which officers and

pickets were fighting on the

ground and there were several

occasions when a large mixed

group of police and pickets were

involved in ugly brawls. A

A number of people were dragged

all along that they have acted

impartially and are trying to

ensure peaceful picketing.

Chloride meeting lifts hopes of peace formula

BY PAULINE CLARK, LABOUR STAFF

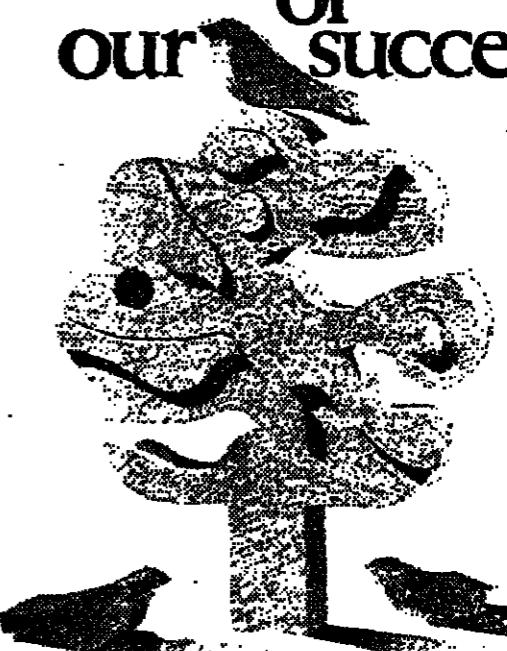
HOPES that a peace formula company of £1m. a week in lost production.

The official strike is the first major industrial dispute in the company's history and was set off by a management demand that productivity targets must be met if workers were to receive the full benefits agreed under the scheme.

The strikers claimed that the targets had not been reached because of management failures.

Other issues in the dispute concern pension scheme plans and management investment intentions which the strikers fear will lead to some 200 redundancies within three years. An increase in the number of batteries being imported by the company is also being questioned by the strikers.

The unsecret of our success



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Perhaps more than any other Japanese bank, Saitama offers its customers the full benefits of its vigor and vision. The vigor that has made it one of Japan's fast-growing major banks. And the vision of a bank that never forgets people are people.

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THE JOBS COLUMN

Toy chief • Exports • Teaching company • Charter move

BY MICHAEL DIXON

FOUR WEEKS from to-day candidates, says Ralph workers, two in every three of adds, "so candidates will have Research Council and the students for manufacturing Ralph Ehrmann, chairman of Airfix Industries, will announce a 'fully grown' senior managers scheme, together holding 35 export procedures, ECCE and export insurance generally, and University and plants of GEC

group annual results once again already, being demonstrably per cent of the group's shares.

showing an improvement over those of the previous year, the success of Conder International, which is currently

operation of substantial size.

which in 1975/76 recorded a pre-tax profit of £3.44m.

In addition, candidates need experience in the toy industry, or a similar consumer-oriented field. Since there is "a terrific fashion 'element' in the toy business, the group chairman

Mecano and Triang as well as adds, he feels that the most

likely person would be someone

is now setting out to make the whose instincts are towards

group as prominent in the toy marketing, rather than engine

markets of overseas countries as

engineering, finance or suchlike.

Bonus schemes are available among the negotiable perks, and the appointment is being handled initially by Michael Silverman, head of Merton

Associates (Consultants). In

queries, briefly stating suitable

experience, should be made to

him by telephone on 01-248 7421

(his home number is 01-722 7423) or in writing to 15 Queen

Street, London EC4N 1FP.

Buildings

THE CONDER group, which still has no plans to go public, splits its profits 50/50 between employees and shareholders. Also, by arrangement with the Inland Revenue, it makes stock

"They've got to go straight

available for purchase by its in and do the job," Mr. Hiscock

says. Ralph workers, two in every three of adds, "so candidates will have Research Council and the students for manufacturing

the to know the exporting field—Department of Industry, work, the scheme is intended to increase the flow between Salford and

export insurance generally, and University and plants of GEC

the appropriate bits of international law. The best back-

ground obviously seems to be

the success of Conder Interna-

tional, which is currently

export sales management al-

ready, preferably in capital

goods." Age range is a stretch-

able 30-45.

The Western Europe manager

will need either French or Ger-

man, or better still both. The

recruit for West Africa is likely

to be fluent in French.

The salary indication is

around £6,000, plus the group's

normal profit-sharing arrange-

ments. Perks include a car.

Written applications, outlining

relevant qualifications, to Bill

Barnes, personnel manager of

Conder Exports, at 16 City Road,

Winchester, Hampshire.

The aim—according to David

Hiscock, the overseas marketing

manager—will be to extend the

sales of the buildings beyond

industrial uses such as ware-

houses, factories and aircraft

hangars, to schools, hospitals,

military barracks and so on.

Ability to negotiate at a high-

level with governmental as well

as business concerns will there-

also be a couple of smaller

associated plants.

The essential qualification for

the appointment is being sought

by our team of two or three

representatives plus an adminis-

trator. A need for extensive

travel almost goes without say-

ing. Responsibility will be to

Jack Bayley, the sales director

of Conder Exports.

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still has no plans to go public,

splits its profits 50/50 between

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military barracks and so on.

Ability to negotiate at a high-

level with governmental as well

as business concerns will there-

also be a couple of smaller

associated plants.

The essential qualification for

the appointment is being sought

by our team of two or three

representatives plus an adminis-

trator. A need for extensive

travel almost goes without say-

ing. Responsibility will be to

Jack Bayley, the sales director

of Conder Exports.

The CONDER group, which

still has no plans to go public,

splits its profits 50/50 between

employees and shareholders.

Also, by arrangement with the

Inland Revenue, it makes stock

"They've got to go straight

available for purchase by its in and do the job," Mr. Hiscock

says. Ralph workers, two in every three of adds, "so candidates will have Research Council and the students for manufacturing

the to know the exporting field—Department of Industry, work, the scheme is intended to increase the flow between Salford and

export insurance generally, and University and plants of GEC

the appropriate bits of international law. The best back-

ground obviously seems to be

the success of Conder Interna-

tional, which is currently

export sales management al-

ready, preferably in capital

goods." Age range is a stretch-

able 30-45.

The Western Europe manager

will need either French or Ger-

man, or better still both. The

recruit for West Africa is likely

to be fluent in French.

The salary indication is

around £6,000, plus the group's

normal profit-sharing arrange-

ments. Perks include a car.

Written applications, outlining

relevant qualifications, to Bill

Barnes, personnel manager of

Conder Exports, at 16 City Road,

Winchester, Hampshire.

The aim—according to David

Hiscock, the overseas marketing

manager—will be to extend the

sales of the buildings beyond

industrial uses such as ware-

houses, factories and aircraft

hangars, to schools, hospitals,

military barracks and so on.

Ability to negotiate at a high-

level with governmental as well

as business concerns will there-

also be a couple of smaller

associated plants.

The essential qualification for

the appointment is being sought

by our team of two or three

representatives plus an adminis-

trator. A need for extensive

travel almost goes without say-

ing. Responsibility will be to

Jack Bayley, the sales director

Credit Analysts

City

£5,000 to £8,000

International Banking

Our Client, a prominent International Bank, seeks two Analysts, one at senior level, the other more junior, to join its active Credit Department. Candidates must have relevant banking experience including a thorough training in analytical techniques. They will be expected to produce high quality research material with a minimum of supervision, and to have the personal qualities necessary for a position which involves a degree of client contact.

These positions will appeal to candidates wishing to develop their credit knowledge in a small but energetic team environment where prospects exist for a future career in loan portfolio management.

Contact A. J. Tucker, M.A., A.I.B., in absolute confidence on 01-405 3499.

Lloyd Management

125 High Holborn, London WC1V 6QA

Group Taxation

c. £8,000 - £10,000

ACA, ACCA, LLB, MBA

The Legal Department of Phillips Petroleum Company Europe-Africa is seeking a tax specialist for its tax group. The expanding interests of the Phillips Group will be of particular value to an individual with highly developed specialist knowledge of the United Kingdom taxation. Reporting to Tax Counsel with direct access to the Senior Vice President-General Counsel, he or she would be mainly responsible for work with Tax Counsel in conjunction with headquarters departments and operating companies, anticipating and identifying tax problems and the initiation and execution of proper solutions. There would also be considerable involvement in other country tax systems through work on international tax problems.

Candidates should be tax specialists whose responsible business experience has been of similar UK or international application. You should be the type of person who will be stimulated by challenging work and be able to make a positive contribution to the Phillips Group tax planning and implementation. An applicant having the qualities and ability we are seeking is likely to be able to command a salary of at least £8,000.

Please telephone for an application form or send comprehensive cv, showing career and salary progression to:- Mr. D. Gosling, Manager - Recruitment and Employee Development, Phillips Petroleum Company Europe-Africa, Portland House, Stag Place, London SW1E 5DA.

Phillips PETROLEUM 66

GROUP FINANCIAL DIRECTOR

Public Company - Light Engineering

A quoted group of companies in the engineering industry with a turnover of £35 million is appointing a Financial Director to take charge of financial and decentralised accounting management and to join the small policy planning team at the headquarters in Yorkshire. Candidates, aged 35 to 45, will be chartered accountants who currently have responsibilities of a similar seniority with a company of this size or with a division of a much larger group in a batch manufacturing environment. Applications are invited from men or women who meet these requirements and whose current earnings are in 5 figures. Salary and other benefits will be negotiable and reflect the standing of the appointment. Please write in confidence with brief career details to A. P. Rait, as adviser to the company, at Room 17, Terminal House, 52 Grosvenor Gardens, London SW1W 0AU.

SELECTION • THOMSON

Group Financial Controller

Central London

to £12,000 plus car

Some 5 years ago our clients embarked on an expansion programme to develop from a well-established base into a diverse, leisure oriented Group. This programme has been highly successful to the point where the Group now operates through several divisions, has over 5000 employees and generates pre-tax profits in excess of £10,000,000. Future plans and substantial liquid funds should ensure that this dynamic growth is sustained both in the U.K. and abroad. To reflect and anticipate these developments the Group Headquarters is being re-structured to ensure that the Board is provided with timely and accurate information on divisional activities and to provide a centre of competence on accounting standards and practice. The Group Financial Controller will be responsible to the Financial Director for these tasks, managing a small, well-qualified central team and developing strong functional relationships with Divisional Controllers. Applicants must be Chartered Accountants, aged mid 30's, with experience of controlling fast-moving service based operations. REF: 708, FT Apply to R. A. PHILLIPS, ACIS, FCII, 2-4 King Street, St. James's, London, SW1Y 6QZ. Tel: 01 930 9982.

Phillips & Carpenter
Selection Consultants

ANALYST

A vacancy exists for an analyst with one or two years' experience to join an established team specialising in fundamental research into specific industries and companies for institutional clients.

The successful applicant will in time be expected to assume responsibility for part of the existing research coverage.

A degree or professional qualification would be an advantage.

An ability to formulate and express investment ideas is essential.

Apply in writing to:

HENRY COOKE, LUNSDEN & CO.,
Ainsworth House, Parsonage Gardens, Manchester, M60 3AH.

EXPERIENCED SALES ENGINEER

Required for U.K. branch of AMERICAN IMPORT/EXPORT TOOLS COMPANY

Must have sound engineering background and experience in sales.

Apply to: Toolmix Corporation U.K.,

8 Northgate Road, Borehamwood, Herts, WD6 5AR.

COMPUTER SERVICES DIRECTOR

City/Hampshire

c. £10,000

Leslie & Godwin (Holdings) Ltd., a substantial public group engaged in insurance broking and related activities, wishes to appoint a mature and experienced computer professional to direct the operation and development of its data processing facilities.

Executive use is already made of in-house and external computer services and a strategy is now being formulated for the further development of machines and systems. The two major technical and administrative offices are located in the City and at Farnborough, Hants.

The Group Computer Services Director will assume full responsibility for the provision of computer services to management and to the technical and operating departments. He/she will be expected to establish the operating priorities of the group and ensure that they are met. He/she will report to the Group Financial Director.

The successful applicant will have held a senior management position in an organisation making extensive use of computers and should have had significant experience of the insurance market, preferably broking. A five figure salary is envisaged together with a company car and other benefits commensurate with the seniority of this appointment.

Please write with full details of your career to date to G. C. Child, Amman Impey Morish, Management Consultants, 4043 Chancery Lane, London, WC2A 1JJ quoting reference C1293.

A.I.M.

Unicorn Industries

Group Personnel Co-ordinator

This strongly decentralised Group which is co-ordinated from a small Head Office in Windsor, is a world leader in the technology of hard materials and abrasives. It has plants in some nineteen countries, and has a vacancy at the Centre for a man or woman to take responsibility for co-ordinating personnel and labour relations throughout the Group, but particularly in the U.K.

The suitable candidate will need to be in sympathy with the strong general management orientation of the Group and realise that the job is to ensure that the individual Divisions and Companies have appropriate policies and are developing them in a sensible way for their local reasons, but will need to ensure that such local developments do not clash with the overall personnel and labour relations policy of the Group.

The successful candidate will need to have demonstrated an ability to cover or understand all aspects of personnel and human relations management and to be a realist.

Given the requirements mentioned earlier, we have no fixed ideas on age or previous background. We offer a sensible salary; the usual fringe benefits associated with a large company; and a location at Windsor, Berkshire.

Please apply in writing to:- Dr. Terence Flitcroft, Group Chief Executive,

Unicorn Industries Limited
Castle Hill House, WINDSOR, Berks. SL4 1LY.

CHIEF EXECUTIVE

c. £20,000 +

An unprecedented opportunity to join one of Britain's most successful Groups (turnover £23M, Profits £3.5M). Assume the Managing Directorship of their large Toy Manufacturing Company, Airfix Products Ltd.

Airfix - Growth & Opportunity: In the past 10 years, the Group has tripled its profits and turnover. Today, Airfix Products dominate the toy market with their range of Kits, Toys, Games, Arts & Crafts, Trains etc. Organised growth through product innovation and acquisition has been their secret for success.

Your Opportunity: To replace the present Managing Director, one of the company's early pioneers, who is re-organising his current responsibilities to assume total executive control of the Group's international imports and to co-ordinate a major international sales drive.

The Job: Assume complete responsibility for the Management, Sales, Growth and Profitability of Airfix Products, employing nearly 1,200 people. Play a key role in Marketing their product range, innovation and development. Reporting to the Toy

ACT NOW: To learn more, write or telephone (in 24 hour answerphone).

This appointment is open to male/female applicants.

MERTON ASSOCIATES (CONSULTANTS) LTD.,
Regina House, 1-5 Queen Street, London EC4N 1FP
Executive Search and Management Consultants

TRUST OFFICERS - CANADA

DO YOU WANT: Job responsibility commensurate with skills and abilities; input to your own career; opportunity to express ideas and suggestions; opportunity to demonstrate flexibility, adaptability?

If so, Canada Permanent Trust offers Trust Officers positions that will fully meet these expectations.

Additionally, there is appropriate support and exciting new uses of technology.

Salary is in the range of £8,650 p.a. The Company offers a generous Benefits Package and substantial support in your resettlement.

Minimum required qualifications are either the Institute of Bankers' Trustee Diploma or a Law Degree, together with two years' practical experience of Estate or Trust Administration.

To arrange an initial interview, please apply in strict confidence, giving details of your career and experience to date and quoting Ref. P16.

CANADA PERMANENT TRUST COMPANY
TRUST OFFICER RECRUITMENT
39 GEORGE STREET
MANCHESTER 1

Jonathan Wren
Banking Appointments

The personnel consultancy dealing exclusively with the banking profession.

BRANCH ACCOUNTANT c. £8,500 to £12,500 An international bank needs a qualified accountant aged 22-30 years with previous banking experience, ideally with a U.K. bank. Applicants will have had experience of Eurocurrency accounts, foreign exchange, corporate and bank finance. The position offers a good prospect for promotion in approximately three years.

CREDIT ANALYST c. £8,500 to £12,500 An international bank needs several vacancies with major international banks for Credit Analysts aged in their twenties with a minimum of eighteen months experience in analysing multinational corporation accounts. Good written and verbal English and some or more foreign language would be advantageous but not essential. These opportunities offer good prospects for advancement to the marketing areas in the early future.

FOREIGN EXCHANGE BROKER c. £8,500 An international firm of money brokers with a strong position in the foreign exchange market needs 25-30 to their Middle East office. Applicants will have at least five years trading experience covering both exchanges and deposits. An attractive salary and good fringe benefits will be offered according to experience.

JOHN COURTS & PARTNERS LTD. Contact: Michael Potts

170 Bishopsgate, London EC2M 4LX 01-623 5051

MONEY MARKET MANAGER

Abu Dhabi

Banco Urquijo, the largest Industrial Bank in Spain, is opening its branch in Abu Dhabi in September. It is the only Spanish Bank licensed to operate in the United Arab Emirates and the branch will play a significant role in the Bank's rapidly expanding international programme.

An experienced Money Market Manager is required who will be responsible for all Foreign Exchange and Funding in a market which is young but very active. This is a key appointment in the management team.

Candidates must have in depth experience of the London markets, plus the maturity and personality needed to develop the position from scratch.

A substantial tax free salary is offered, plus free housing and other benefits normal to the area.

Please write in complete confidence to Ian H. D. Odgers

Odgers

MANAGEMENT CONSULTANTS

Odgers and Co. Ltd., Adelaide House, London Bridge, London EC4R 9DS Telephone: 01-626 1086

Bank Hapoalim Manchester

We will soon open, in addition to our 2 branches in London, a new branch in Manchester offering local, national and international services.

We need two dynamic, professional people.

Chief Clerk

This is a very responsible position needing a self-motivating person with the ability and experience to take responsibility for the day-to-day running of the branch. This person will probably already be a chief clerk with banking experience, but we will also consider applications from persons close to this position and now ready to make a major step forward.

It is essential that applicants have thorough knowledge of Book-keeping, Credits, Foreign Exchange Regulations and preferably Documentary Letters of Credit.

The salary will relate to experience and is accompanied by fringe benefits.

Please reply in writing to the London West End Branch, with a Curriculum Vitae that gives full details of your education, experience, present salary and telephone number. Mark the envelope "Manchester Chief Clerk".

Interviews will be held in Manchester.

Secretary to Manager

This is a demanding but varied and interesting position. Fast, accurate shorthand and typing will be essential, but excellent command of the English language, presence and self-confidence are just as important, since you will be required to deal efficiently with people of very high status.

Please reply in writing to the London West End Branch, giving full details of your education, experience, current salary and telephone number. Mark the envelope "Manchester Secretary".

Interviews will be held in Manchester.

Bank Hapoalim

8/12 Brook Street, London W1Y 1AA.

Bank Hapoalim

Group Financial Director

(Designate)

South of England

Around £12,500 + Car

Our client, an independent, quoted, light engineering and electronic group, wish to appoint a Chartered Accountant as Company Secretary/Financial Director Designate to act as financial adviser to the Board and financial controller of the Group. There is considerable scope to affect profitability and operating efficiency in a number of operating subsidiaries.

Applicants should be Chartered Accountants aged 30-40 with sound experience at Controller level, preferably gained in a light engineering/electronics environment who possess the ability and personal commitment to get results in a number of businesses ranging in both activity and size.

The remuneration package will be augmented by relocation costs where necessary.

Candidates should write to John Courts & Partners Ltd., Selection Consultants, 78 Wigmore Street, London W1H 9DQ, demonstrating their relevance briefly but explicitly and quoting reference 794/FT.

JC&P

Overseas Tariffs Adviser

c. £6,800

+ Fringe benefits

Our client, a major international engineering group, wishes to appoint an Overseas Tariffs Adviser based in their London corporate headquarters.

The position involves responsibility for evaluating legislation, advising management as to its effect upon the company, negotiating with overseas Customs authorities and identifying the financial advantages arising from variable Customs tariffs/legislation.

Applicants, ideally aged 36-40, male or female, should have a comprehensive knowledge of Customs legislation and practice, the ability to interpret complex law plus well-developed negotiating skills. A foreign language capability would be advantageous.

Please write, in complete confidence, with details of career and salary progression to date, advising any companies to which your application should not be referred.

C. M. Bradshaw,

Lockyer, Bradshaw & Wilson Ltd., North West House, 119/127 Marylebone Road, London NW1 5PU.

LBW

LOCKYER, BRADSHAW & WILSON

LIMITED

Group Financial Director

c. £12,000

The appointment is to a substantial and diversified group with a good profits record and a healthy return on capital. Growth has been organic and by acquisition. The Financial Directorship is a new appointment and reports to the Chief Executive. The successful applicant will have a wide-ranging brief to direct the corporate financial strategy of the group as well as the performance of the individual companies, which have turnovers up to £10m. The post calls for seasoned business judgement as well as accountancy professionalism, allied to experience of simultaneously handling the different problems of different businesses. Ideally, candidates will be aged 40-45 with an

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

engineering industry background, possibly supplemented by a period of financial consultancy, and should be Chartered Accountants. Salary is for negotiation, a car will be provided, and the benefits appropriate to the seniority of the post. Location — Midlands.

PA Personnel Services Ref: AA40/6006/FT

The identity of candidates will not be revealed to our clients without prior permission given during a confidential discussion. Please send brief career details, quoting reference number to the address below, or write for an application form, and advise us if you have recently made any other applications.

General Manager

Salary Range: £13,000-£16,000

BRISTOL WATERWORKS COMPANY

The Company is a statutory Water Undertaking operating over an area of 2,400 square kilometres and supplying about 300,000 cubic metres per day for a population of 970,000 and for industrial and agricultural purposes. The Company employs 750 people and has an annual revenue running at £12 million. The present General Manager is retiring and the Company is seeking his replacement to be responsible to the part-time Board of Directors for the management and control of the Company. The successful candidate will be able to show a progressive career to

General Management level, and the depth of experience required indicates an age of at least 38 years. Experience should preferably include the Water Industry and candidates should hold a professional qualification. Commencing salary will be negotiated within the range £13,000 to £16,000, and there are attractive fringe benefits.

Men and women are invited to write initially for application forms to:—
The General Manager,
Bristol Waterworks Company,
Bridgwater Road, Bristol BS99 7AU

GM/1264/FT

Urwick Group Advertising Ltd

Baylis House, Stoke Pages Lane
Slough SL1 3PF

International Banking

BCC are seeking experienced bankers to manage corporate business in London and the Provinces. Outstanding professional and personal qualities are required to meet the demands of these appointments.

Applicants must have extensive experience in U.K. banking with a knowledge of foreign trade finance. Salary and benefits will not be a limiting factor to those who meet our demanding requirements.

Replies, which will be treated in strict confidence, should be sent with career details to Mr. R. J. Evans, Personnel Manager, The Bank of Credit and Commerce International, 100, Leadenhall Street, London, EC3A 3AD.

Bank of Credit and Commerce International



INTERNATIONAL BANKING MANAGEMENT

The London office of this international bank is one of the largest banks in the world. Its continuing rapid growth provides outstanding career opportunities. Promotion is by merit. To come from the UK is a positive advantage.

One of the most able younger bankers in the UK is required to take on full accountability from London for a discrete sector of corporate lending with a view to progressing to the highest levels in the UK or elsewhere.

You are required to have a degree, a track record in corporate lending and a belief in the need for professional marketing as well as technical competence in banking. Age: mid 20's to mid 30's. The initial salary will be up to c. £10,000 + a substantial benefit package.

Your name will not be released until we have briefed you and you have given your consent. Please write to me, Terence Hart Dyke, consultant to the bank.

BDC (International) Limited
26 Dorset Street
London W1M 3FU

Recruitment consultants
licensed in the UK

STOCKBROKERS

Require experienced assistant in Branch Bank Advisory Department. Salary negotiable.

Reply to Box A.5984, Financial Times, 10, Cannon Street, EC4P 4BY.

STOCK EXCHANGE AUTHORISED CLERK

required to work with a partner of a medium sized firm. Salary according to experience.

Please telephone 01-588 8387 after 3.30 p.m. 01-588 5920

STOCKBROKERS SENIOR CLERK. Applications for experience in the field of Trade, General Office, Pre-Commissioning, and other areas will be considered. The successful candidate will have had at least 2 years experience and will be required to have a good knowledge of the stock exchange, including a working knowledge of the market. Write Box A.5985, Financial Times, 10, Cannon Street, EC4P 4BY, with full details.

WANTED

SUCCESSFUL EXECUTIVE (33) FRUSTRATED BY LACK OF CHALLENGE

Seeks a broader spectrum of responsibility. Offers in-depth experience of—
COMPUTERS—ADMIN.
MANAGEMENT SERVICES
PROFIT-BUDGET CONTROL

Write Box A.5985, Financial Times, 10, Cannon Street, EC4P 4BY.

CONTINENTAL EXECUTIVE

33. Married. Smart, well educated, alert and versatile, languages French, English. Good present salary in five figures. seeks position of Sales Executive or private Secretary/assistant to middle eastern industrialist or royal.

Genuine Reply only.

Write Box A.5983, Financial Times, 10, Cannon Street, EC4P 4BY.

CJA

EQUITY SALES EXECUTIVE - STOCKBROKING

£10,000—£14,000

EXPANDING MEDIUM SIZED FIRM OF STOCKBROKERS

This appointment is open to candidates aged 26-32 who have acquired a minimum of 4 years' stockbroking experience and are less than one year's experience advising institutions at not lower than the number two Fund Manager level (Jobbers within the age range will be considered). The successful candidate will report to the Institutional Partner and work on established institutional business. The main brief will cover the further profitable development of institutional business, utilising the firm's excellent connections, and a first class investment research team. A tenacious manner, and the ability to communicate lucidly, plus the necessary qualities required for wider responsibilities are important. Initial remuneration by way of high salary plus profit sharing negotiable £10,000-£14,000 + Pension scheme, life assurance and assistance with removal expenses if necessary. Applications in strict confidence under reference ESE758/FT, to the Managing Director, CAMPBELL-JOHNSON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH. TEL: 01-588 3588 or 01-588 3576. TELEX: 887374

Chief Accountant

Central London

up to £9,500

London, City and Westcliff Properties Limited is a member of a large public group of companies. The Chief Accountant is responsible for managing the company's day-to-day accounting and for developing new management accounting systems. In addition there will be involvement with the Finance Director in developing the company's financial strategy.

You must be a qualified accountant, aged between 28 and 35 with some years' experience in commerce including developing

management accounting procedures and also consolidating financial accounts. The position therefore offers a considerable range of experience in a changing environment and can be seen as an important part of a planned career in financial management. Applications, which will be treated in strict confidence, should contain relevant details of career and salary progression, age, education and qualifications. Please write to Dr. I. Bowes (ref. 620-B).

Deloitte, Haskins & Sells, Management Consultants, P.O. Box 207, 128 Queen Victoria Street, London EC4P 4JX.

J.E.S.
J.E. ENGLAND & SONS
(WELLINGTON) LIMITED

THE POTATO, GRAIN AND PRODUCE MERCHANTS IMPORT/EXPORT TRADING MANAGER

We want a Manager to join our successful Management Team to extend Trading with the E.E.C. Countries. The person will be between 30/40 years old and preferably have experience in Trading Fresh Produce. Fluency in German or French is mandatory, plus a working knowledge of another European Language besides English. The post will require an energetic ambassador with advanced entrepreneurial skills who has an understanding of the Common Agricultural Policy, but will not necessarily be a U.K. citizen. The total remuneration package reflects the importance we place upon this position. The post will be based at Head Office at Shropshire.

Please contact in the first instance in writing to D. C. Findlay, J.E. ENGLAND & SONS, Alexandra Road, Wellington, Shropshire. Tel: (0952) 44121

International Trade Executive

London Based

£10,000+

A newly established trading company, part of a major multi-national organisation, is seeking a dynamic and self-motivated person to join their London based team. Ideally, applicants should have a minimum of five years export-import experience and be well versed in all aspects of foreign contract negotiations including implementation and follow-up procedures. They will probably be aged 28-38 years and educated to degree standard. The position will involve a certain amount of overseas travel and fluency in one or more foreign

languages is required. The salary is negotiable and other benefits include pension and medical schemes.

(Ref: S3570/FT)

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

FOREIGN EXCHANGE MANAGER LONDON

A leading Australian bank requires an experienced dealer to establish and take charge of its proposed London dealing room and to develop its foreign exchange activities.

The successful applicant should have at least ten years dealing experience with a good knowledge of Euro-currency and Interest Arbitrage operations as well as experience in departmental management. Salary and conditions by negotiation.

Applications, which will be treated with strictest confidence, should include career details and experience and be made in writing addressed to:

Box A.5981,
Financial Times,
10 Cannon Street EC4P 4BY

Jacobson Townsley & Co.

We would be prepared to receive applications from people with proven institutional business, wishing to join a progressive firm.

Please write in the first instance to the Senior Partner.

Statistical/Editorial Assistant

We would like a statistical/editorial assistant with a genuine interest in the financial world to come and join us at "Money Management". Money Management is a monthly magazine which gives advice on investment, insurance, taxation and similar financial subjects. It also publishes a series of companion handbooks.

The successful applicant will be expected to assist with the preparation of editorial matter and be involved in all stages of production. Opportunities to write are envisaged and a knowledge of insurance and/or related subjects would be an advantage.

Application forms available from:

C. Rigden,
Money Management,
30, Finsbury Square, London EC2A 1PJ.
01-628 4050.

CONSULTANT

Required for City Banking Division of leading employment agency. Drive, enthusiasm, plus banking experience are essential. Excellent salary and working conditions. Male or female, age immaterial. Telephone 01-629 3812, reference BD

J. T. Townsley & Co.

Project Management Director Designate c.£12,000

Good trading results in 1976, a full order book, plans for expansion into the eighties and a strong successful management team combine to make this an attractive prospect.

Your task will be to plan and co-ordinate the commissioning of a new factory. This will involve negotiating over a wide range of activities. Thus your record should show success in this area. Also experience of production (light engineering products) or purchasing would be useful. But primarily you will be a person of high administrative ability and a businessman capable of both economic assessment and practical follow-through of a new enterprise. Graduate. Age 30-45. London based. Frequent overseas travel. Package includes car.

Please apply in confidence, giving full personal and career details, quoting reference to: 998/SB/FT.

Robert Lee
International

24 BERKELEY SQUARE, LONDON W1X 5AR. Tel: 01-580 2222

Overseas Business Development Director

A London client of exceptional standing is seeking a high calibre executive to direct an extensive development of business overseas. The resources available are very considerable.

Applicants for this demanding post must be sophisticated in all types of overseas operations including export, local marketing and/or manufacturing, joint ventures, licensing arrangements, and the various alternatives for association or partnership with national interests.

The requisite degree of personal authority, 'political' skill and commercial expertise is unlikely to be found in anyone much under 40; the upper age limit is 50. Linguistic ability is assumed.

Salary arrangements are for discussion, in five figures, with appropriate benefits.

Please reply, in absolute confidence, to Peter Bingham & Partners, Personnel Consultants, 9 Curzon Street, London W1Y 2FL, giving full personal and career details.

Peter Bingham & Partners

Project Manager/ess Business Information Services

LONDON

c. £7,000

EXTEL is looking for a manager to work on the development of its interests in new business information services, including the extension of our present range of financial and sporting services into VIEWDATA. This is a new appointment reporting to the Financial Services Manager and has potential both in terms of interest and advancement.

Applicants are likely to have a consultancy background with a relevant degree or similar qualification. They should demonstrate a firm grasp of information dissemination techniques and a marketing ability. At least two years in a communications/computer environment with project responsibility is required.

Salary is negotiable around £7,000 and will depend on experience. Please write, giving full details of experience, to:

Group Personnel Manager,
The Exchange Telegraph Company Ltd.,
Extel House, East Harding Street,
London EC2P 4HB.

THE NIGERIAN SECURITY PRINTING & MINTING
COMPANY has a vacancy for an

Internal Auditor

at its Head Office and factory in Lagos.

Applications are invited from Nigerian citizens who are qualified accountants with a minimum of five years' post-qualification experience.

This post offers excellent career opportunities and the successful applicant and his immediate family (where applicable) will be given free passage to Lagos. The position offers an excellent salary, housing and car allowances and free medical treatment.

Interviews will be held in Basingstoke on June 28th and 29th 1977.

Please write giving full career details to:-
Mr. K. B. Knox, Divisional Personnel Controller, Thomas De La Rue and Company Limited, P.O. Box 10, BASINGSTOKE, Hampshire.

COMMERCIAL EXECUTIVE

required by Davy-Loewy

We are one of the world's leading designers and builders of heavy plant (steel and non-ferrous forming, particularly rolling mills and presses) for the metals industry with current contracts worth over £140 million. Our Headquarters and engineering workshops are located in Sheffield, on the doorstep to the Peak District National Park.

The main Commercial Executive functions are:-

1. The negotiation of contracts.
2. The arrangement of credit facilities with banks, institutions and clients.
3. Advising Davy-Loewy product divisions on these matters.

Candidates, either male or female, should have at least five years relevant experience, ideally in the supply of heavy industrial plant, both for the home and export markets. They should be able to formulate contractual documents and negotiate at all levels. A legal/financial qualification or background is essential; fluency in a second European language is desirable. Overseas travel is involved. An attractive package of employment conditions is offered including a competitive salary commensurate with the responsibilities involved. Where appropriate generous relocation assistance will be given.

Applications giving relevant career details should be addressed to:-

The Personnel Manager,
Davy-Loewy Limited, Prince of Wales Rd,
Sheffield S9 4EX.



STOCKBROKING INVESTMENT TRUST DEPARTMENT

Leading International Stockbrokers wish to recruit an individual to lead the marketing function of their Investment Trust Department.

The successful candidate will have a substantial and up to date knowledge of Investment Trust shares, although this may not have been acquired in a stockbroking environment.

Prospects are outstanding, and remuneration will be commensurate with experience and ability.

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Peat, Marwick, Mitchell & Co., Management Consultants, 111 Finsbury Square, London, EC2V 8AX.

City Dealers

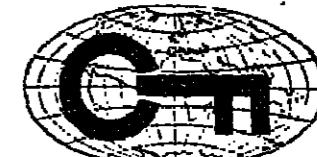
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PA

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c £6,000

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Please write with full details to Mrs. S. R. Gilbert, Alexander Howden Group Ltd., Bankside House, 107-112 Leadenhall Street, London, EC3.

Alexander Howden Group Limited

Our client, is one of the world's largest multinational oil and chemical companies. Due to continued expansion and internal promotions the following opportunities for accountants have arisen:

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Chartered Accountants (age 25/30), with experience gained in an international professional practice. A university degree and a second language would be an advantage although not essential. Assignments, covering worldwide operations, will be exclusively outside the U.K. but are suitable for persons of both single and married status.

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North Sea oil boosts export figures

THE GROWTH of the domestic economy is still "hesitant," with the current account of the balance of payments about the only undoubtedly bright feature, according to the economic commentary in to-day's Bank of England Quarterly Bulletin.

This points out the slow world economic growth in recent quarters has not been favourable to an expansion of U.K. output. Overseas governments had remained cautious about expanding demand for fear of rekindling inflation. While there had already been an acceleration in consumer prices, wage settlements so far this year had been either much the same as in 1976 or slightly lower.

Against this world background, the rate of growth of export volume had been held back, although the U.K. share in overseas markets had probably increased in recent months. "The volume of exports is expected to rise fairly strongly in the next year or so, but perhaps not all that much faster than imports and the net increase in demand for domestic output could be quite small."

Although the trend in trade other than in oil was less favourable, the increase in North Sea production was making a large impact with the result that "the current account has now moved into surplus where it should remain for a considerable time (apart from monthly fluctuations)."

The Bank estimates that North Sea oil production should rise from 11.5m. tonnes in 1976 to between 40m. and 45m. this year—equivalent to about half of domestic requirements by the end of the year. The benefit to the visible balance from oil should rise from £550m. last year to between £2.5bn. and £3.5bn. in 1977. The visible benefit was £480m. in the

first quarter.

North Sea oil is expected to be a strong influence on the future growth rates of Gross Domestic Product and industrial production. The Bulletin suggests that total demand was unlikely to be buoyant in the months ahead. Discussing the large stockbuilding by private industry in the first quarter—the Bank maintains that while some may have been involuntary, the rise in stocks of raw materials and work in progress might indicate a modest improvement in business confidence.

The possibility that the economy may be more buoyant than most indicators suggest is also raised in connection with the stability of unemployment in recent months and the rise in notified vacancies since "the Government's job-creating schemes can provide only part of the explanation."

The Bank notes that "it may also be that the length and severity of the recession have altered the previous relationship between output and employment; and low investment in recent years may have slowed down the long-term rate of growth of productivity."

Labour productivity in the U.K. has improved only slightly since 1973, suggesting that employment may have been kept abnormally high. Employment in manufacturing industry has risen a little since the middle of last year, perhaps indicating that companies planned for a higher level of demand than in fact occurred—the large increase in stockbuilding in the first quarter lending some support to this view.

An improvement in companies' financial positions—partly associated with a decline in the real cost of holding labour, as prices continued to rise faster than wages—may also have

prompted companies to retain labour, or to go on using old plant requiring more labour than modern equipment. Another shake-out of labour might still take place, particularly if wage rates were to rise much faster than prices later in the year."

In a discussion of inflation, the commentary points out that higher import costs (mainly reflecting the fall in sterling) can be identified with more than 40 per cent of the increase in final prices in the second half of last year—almost twice as much as can be directly associated with higher labour costs, which had their largest direct effect in the year to mid-1975.

The Bank argues that if the exchange rates remain stable and wage inflation does not accelerate, prices should—after a period—begin to rise more slowly.

The Bulletin says that real personal disposable incomes fell by more than 15 per cent in the first quarter, after a fall of 3 per cent in the fourth quarter of 1976. It is estimated that the personal savings ratio, which fell by almost four percentage points to about 11.5 per cent in the fourth quarter, recovered to about 12.5 per cent in the first quarter.

The decline in both real personal disposable incomes and consumers' expenditure is likely to be checked in the second half of this year, particularly if the Chancellor is able to implement the conditional tax cuts announced in the Budget.

The commentary also notes the recovery in company profits in money terms last year (especially in the fourth quarter), but the share of profits in domestic income was much the same as in 1975. Moreover, about a fifth of the increase in profits was attributable to a relatively small number of companies with interests in North Sea oil.

Stability of pound 'should help to reduce inflation'

THE OFFICIAL policy of intervening in the foreign exchange markets to keep sterling at around \$1.72, both in the period earlier this year when it was tending to rise and more recently when at certain times it has been under pressure, is confirmed and explained in the Bulletin.

The Bank comments that much of the upward pressure after November was the result of repayment of sterling lending to finance third-country trade—banned in November—which is now estimated to have brought in a once-for-all total of about £1bn. The unwinding of leads and lags was probably also a factor.

"Rather than allow a short-term appreciation of the rate that was liable to be reversed when such inflows came to an end, the authorities preferred to aim for stability at around \$1.72."

This stability, it is recognised, has partly eroded the U.K.'s price-competitiveness, which had been exceptionally favourable last autumn. But it "should help towards a sustained reduction in the pace of inflation." The intention remains as set out in the letter of intent to the IMF "to ensure that U.K. manufactured goods are competitive at home and abroad."

The Bank devotes much of its general assessment to an examination of current monetary policy. It considers the importance and effects of the establishment of published monetary targets and underlines the difficulties in maintaining a steady pattern of monetary movements.

This year, the Bank suggests, market sentiment may oscillate less than last year, and "a smoother path of monetary expansion may prove possible." Much will depend on price developments, the Bank comments.

The fall in interest rates this year "has probably reflected expectations of lower price inflation, and could be validated by a satisfactory prospect for wages." On the other hand, a less satisfactory prospect might show that by May the market had over-reacted to improved expectations, and that "an upward readjustment in interest rates was necessary."

If inflation continued unabated, this would harm the economy in a number of ways, including postponing the faster expansion that is needed. With rapid inflation, the more restrictive monetary conditions which would then develop—as a result of policies designed to keep to the published monetary targets—would tend to reduce the rate of real growth.

The risk of this happening could be regarded as a price worth paying to preserve a barrier to inflation. With an expected rate of monetary expansion of 9-13 per cent for the year, the rise in wage costs will need to be significantly below this in order to leave room for real growth."

The Bank argues that the targets for the current financial year—a 9-13 per cent rise in sterling money supply on the wider definition (M3) consistent with the £7.5bn. limit on domestic credit expansion—could permit some rise in bank lending.

An increase of this size

DCE AND THE MONEY STOCK (M3)
DCE was little changed in the three months to mid-April; but sterling M3 and total M3 each rose, after declining in the previous three months

	(£m.)	Apr. 76	Apr. 77	July 76	Oct. 76	Jan. 77	Jan. 77 Seasonally adjusted
Mid-months							
Central government borrowing requirement	+5,710	+1,950	+1,910	+1,030	+1,400		
Net purchases (-) of central government debt by non-bank private sector	-6,070	-990	-1,120	-2,870	-1,090		
Other public sector	+1,520	+440	+470	+620	-200		
Bank lending in sterling to U.K. private sector and to overseas	+3,060	+1,140	+1,310	+820	-180		
Domestic credit expansion	+4,220	+2,540	+2,510	-400	-70		
External and foreign currency finance	-800	-930	-870	+260	+240		
Other	-720	-450	-	-200	-70		
Sterling M3	+2,700	+1,160	+1,620	-340	+600		
Percentage change in sterling M3	+7.2	+3.1	+4.2	-0.9	+1.5		
U.K. residents' foreign currency deposits	+1,200	+290	+590	-190	+510		
Total M3	+3,900	+1,450	+2,210	-530	+1,170		
Percentage change in total M3	+9.7	+3.6	+5.3	-1.2	+2.6		

* Other public sector borrowing requirement, less purchases of other public sector debt by the private sector (other than banks).

† including commercial bills bought by the issue of the Bank of England of England.

"should leave room for a handling monetary policy. The public announcement of official quantitative aims for monetary expansion "creates a different environment" for policy."

Their earlier announcement "may reinforce the purposefulness of monetary policy and provide reassurance that the authorities will not just accommodate pressures which may arise." But they also raise questions for discussion, the Bank says.

Monetary growth has in practice been kept at a moderate rate during the past three years. But it still appears desirable to indicate the target range publicly to forward a quick and normal cyclical recovery."

The details of the latest work

should bring up to date estimates of the profitability of companies and the cost of their capital.

This shows a still lower real rate of return in 1975 and 1976, as well as very little improvement in the margin between this return and the cost of capital.

The recent trend in profitability has been improved by the growth in profits from North Sea oil operations and, in 1976, by the effect of sterling's depreciation on profits from exporting.

For the rest of industry, the decline must have been even steeper.

The current rate of real return was on average about a third of what it was about 15 years ago. That partly reflects the impact of economic recession, which tended to reduce profitability—the U.K. is at a low point in the longest and most severe recession since the war.

But "it is less clear than most cycles that we can look

forward to a quick and normal cyclical recovery."

The principle of adopting a target may be more important than its precise form, or the particular magnitude to which the target relates.

The Bank suggests that there may be a case for placing emphasis again on money stock rather than domestic credit expansion as the criterion to be used as the balance of payments strengthens.

It adds: "There might also be a case for updating targets at say, quarterly intervals: if there is a risk that actual performance will exceed or fall below the target range, and if this arises towards the end of the target year, there may be pressure for extreme adjustments in the short time remaining."

Last year's experience, though

the final outcome was within the targets, included some sharp fluctuations from quarter to quarter.

The Bank underlines the difficulties in this situation.

First, it says, monetary conditions were heavily influenced by the changing state of confidence.

Secondly, it points out, changes in trend do not become clear.

Given the way in which the monthly statistics are produced—until some time after the January price rise,

THE OIL surplus countries increased their sterling investments in the U.K. slightly during the first three months of this year, and their foreign currency deposits with U.K. banks continued to rise strongly.

The Bank's latest review of oil exporters' surpluses

shows that their total estimated revenues rose slightly in the first quarter, after exports had increased in volume in November and December ahead of the January price rise.

Payment for oil is usually made about two months after shipment, and since the volume of exports in the period from February to April was about the same as in the previous three months the latest increase in prices will have raised revenues even more in the April to June period.

The cash surplus available to these countries for 1976 has been revised upwards to about \$35bn.

Deposits with banks in other countries probably continued to rise strongly in the first quarter.

Special bilateral facilities and revenues were about \$16bn. other investments, at \$2.25bn. higher, this implies a substantial rise for three months, but the trend is the first quarter is provisionally still downwards.

THE ESTIMATED DEPLOYMENT OF OIL EXPORTERS' SURPLUSES

The total surplus in the first quarter is provisionally estimated to have been rather higher than in the fourth.

	1975	1976	1st half	3rd qtr.	4th qtr.	1st qtr.
United Kingdom						
British government stocks	0.4	0.2	0.1	—	0.1	—0.1
Treasury bills	0.9	-1.2	-0.8	-0.4	—	—
Other Sterling investments	0.2	-1.4	-0.9	-0.3	-0.2	0.2
Foreign currency deposits	0.3	0.5	0.2	0.1	0.2	0.1
Other foreign currency borrowing	4.1	5.6	2.2	1.8	1.5	2.0
United States						
Treasury bonds and notes	4.3	4.5	1.4	1.4	1.7	2.2
Treasury bills	0.5	-1.9	-0.5	-0.1	-1.4	1.4
Bank deposits	0.6	1.6	1.0	0.2	0.4	0.1
Other	6.9	6.7	3.1	1.9	1.7	1.2
Other countries						
Bank deposits	5.0	7.0	1.5	2.0	3.5	1.5
Special bilateral facilities and other investments	12.4	10.3	6.1	2.4	1.8	2.3
International organisations	17.4	17.3	7.6	4.4	5.3	3.8
Total	35.7	35.3	17.8	8.7	8.8	9.6

* Includes holdings of equities and property etc. [†] Includes loans to developing countries. [‡] Provisional.

In addition, the Government drew on the International Monetary Fund's oil facility and the official borrowing abroad, with first credit tranche, and official financing liabilities rose in total from \$4.4bn. to \$2.5bn.

The private sector, in contrast, showed an increase in its net assets of over \$2.5bn. after a fall in 1974 and little change in 1975.

Within the total, the value of net foreign currency borrowing by the public sector under the exchange cover scheme investment abroad rose by £1.5bn. and £2.6bn. and net banking and

commercial liabilities dropped by £900m.

These problems have been highlighted by revisions to the central assets and liabilities of the U.K.'s balance sheet of exports after adjusting for the depreciation of sterling, the amount out-

Advertising and

Agencies and the 'fair list'

BY ALAN PIKE.

from Saturday be at the centre of a renewed campaign to ensure that all art work is carried out by trade union firms.

This week copies of a "fair list" of approved firms have been going out to members of the National Graphical Association and SLADE, the process workers' union. So have some 4in. labels which will be used to chart the progress of a job and ensure that it does not come into contact with non-union labour at any stage.

Leaders of SLADE, which is regarded with a mixture of hatred and fear in the advertising industry after an aggressive campaign to recruit agency staff last year, have told members in art studios, photo-engraving, gravure and litho houses that from Saturday they must check

Advertising makes its own pitch

BY MICHAEL THOMPSON-NOEL

DOES ADVERTISING matter? minds of Government bodies but is it harmful? Does it hurt? In the minds of the whole country—and not, does advertising make a positive contribution to the health and wealth of society, or as it just a bludgeon of persuasion with which industry whether our arguments will succeed to baffle the consumer to brow-beat the consumer?—a clamorous sub-part who are determined not to hear voices business and profits but them. But we are more concerned with the much greater number who simply do not understand how the marketing process works and the place advertising has in it.

First, Brian Nicholson, who explained that since 1961, the sum spent on media advertising had more than tripled in current prices, from £288m. then to £1,750m. in 1976. But this apparent growth was misleading.

In real terms, investment in advertising had actually declined since 1973 and was now almost back to the levels of 1970. "That is because the increases in real advertising have been smaller than the increases in media costs, although these in turn have been smaller than the increase in the retail price index. In the last 15 years, advertising has grown more slowly than GNP or consumers' expenditure, and has taken a declining share of the national cake."

One of the most interesting components in this decline, said Mr. Nicholson, was in the area of manufacturers' consumer advertising. "MCA" is the archetypal advertising of critics and what some people superficially think of as the business of making and selling goods that the consumer wants and I use the most effective means of selling these goods: advertising is only part of this selling process." Beecham, said its chairman, sold thousands of different products using over 100 brand names in approximately 200 countries and in most cases the brands had been built to a significant market share.

There were three points to bear in mind, looking at Beecham over the ten-year period 1970 to 1979:

- Sales were expected to grow from £168m. to £270m.
- Marketing expenditure was expected to grow from £3m. to £18m.
- The percentage of marketing expenditure to sales was 20 per cent in 1970 and had fallen to approximately 16 per cent in 1974. However, there would be an upturn between now and 1979, due to the marketing investment necessary to expand overseas, particularly in the U.S.
- Within Beecham's marketing expenditure, approximately 50 per cent goes on advertising, so that by 1979 the company will be spending around £75m. on advertising its products internationally, or roughly 10 per cent of sales.

Mr. Halstead then took his audience through the marketing mix employed at Beecham, explaining: "We gear all the

"What can we say of the various disciplines within the company—market research, marketing, finance, production, engineering, etc.—to evaluating what the consumer wants and to show any significant growth in the immediate future. The spectacular advance in retail advertising began, perhaps unexpectedly, around 1970, and it is virtually impossible to forecast how long it can keep accelerating.

However, if this growth continues, it will undoubtedly be at the further expense of manufacturer's consumer advertising. People who are instinctively opposed to advertising might well get some comfort from the fact that manufacturers' consumer advertising has been dropping considerably and is likely to continue doing so. But this trend is one that will further set at risk the future of independent media, the media, and the advertising.

Ronald Halstead, who made it clear that he was not in the advertising business, "I am in the business of making and selling

goods, but in many cases we have failed to effectively market the products of those skills in the world markets.

"Whatever the reason, hard selling, advertising, and profit have not been highly regarded in this country, particularly by people in academic, professional and government positions. This is in striking contrast to attitudes in the major countries with whom we compete—Germany, the U.S. and Japan. People in those countries have not only

good products, but also are

believe that the best way to control advertising is to increase people's awareness of how it works. We also believe that certain vulnerable groups in the population need special protection from exploitation and that this can best be achieved by a combination of legislation and a vigorous self-regulatory control system.

"In their arguments about the desirability of advertising, people sometimes fail to distinguish between regularised, paid-for advertising which we can supervise and control, and other forms of promotional activity.

Arguing about what the barrow boy actually said at his stall on Saturday morning is a fairly futile activity, but we can and should supervise the media, not only because it is possible, and a responsible thing to do, but also because the media, carry a special credibility with their readers.

"It is also a mistake to expect advertising to take more than its share of responsibility for products which are available to society. Sometimes we criticise advertising of products when we should be questioning whether the products should be freely available for purchase. Like many other people, I believe that the consumer should be treated like an adult, informed, and then allowed to choose."

"In protecting the vulnerable and setting standards, the advertising business is often accused of not adhering to standards which are relatively uncommon in the rest of society. Our portrayal of the role of women in society is no worse and probably better than that given in the rest of the media. The life styles to which we tempt people to aspire are not inherently wicked. We see no harm in helping people to dream or encouraging them to a better life, and our skills are put at the disposal of many good causes."

In conclusion, Mr. Ross said he hoped the presentation had helped demonstrate that advertising was more than a weapon of persuasion: that it was an essential two-way communication between manufacturer and consumer, government and citizen.

"We in this industry know that good advertising is critical to the marketing process; that the marketing process is critical to the successful manufacture and sale of goods at home and abroad; and that the successful sale of goods is critical to the economic recovery of this country and to working back to full employment."

By all accounts, Mr. Hattersley was impressed.

Slimming foods bulge to £100m.

BY OUR MARKETING EDITOR

AT 385 PAGES, the Economist ably reach £155m. (at 1976 prices) by 1980, of which low-intelligent multi-client research calorie drinks, the biggest study of the U.K. market for sector, will probably account for sales of £51m. compared with £38m. last year. Sales of slimming foods may be thought a trifling £28m. last year. Sales of slimming breads last year were substantial study of what are worth £23m. and could grow to £24m. by 1980.

The health food market, says the EU, is extremely fragmented and opinions of its size vary greatly. The EU's own estimate is that the market at retail prices grew from £18m. in 1971 to £35.5m. last year.

Sales growth in health foods tailed off in the 1970s, although it picked up in the second half of last year, aided by mass marketing of the "natural" image in most fields of retailing—fashion, cosmetics, furniture—plus increased support from the medical profession and positive Press exposure.

There are 500,000 known diabetics in the U.K., and probably a similar number of unknown cases, and sales in this area are estimated at £3m. out of a total diabetic market last year of £9.3m. The United Kingdom Market for Slimming, Dietetic and Health Foods: Economist Intelligence Unit, 27, St. James's Place, London, S.W.1. £40.

47 complaints upheld

BY PAMELA JUDGE

ALWAYS A RUNNER in the complaints stakes, motoring makes up the biggest sector in the latest batch of complaints dealt with by the Advertising Standards Authority.

Chrysler U.K. was rapped over comparison claims made for the Alpine S and GLS concerning acceleration, wider seats and more headroom. The ASA did not consider that the source of the data quoted in the Press ads had been accurately stated.

Datsun U.K. offered a "special deal" which was challenged on the grounds that part of it was not "free" and the authority agreed that the exact nature of the offer was not made plain.

MICHAEL WATERSON, 31, is to succeed Harold Lind as head of research and economics at the Advertising Association, which he joins on July 11. From 1969-1973 Mr. Waterson was a consultant economist with Urwick, Orr and Partners and for the past four years has been economic adviser to the Guinness Group.

He has been an active member of the Business Graduates Association and until recently was chairman of a study group on company efficiency and productivity measurement.

Harold Lind has joined AGB as head of information services.

• Kelly's Advertiser's Annual

1977, providing 1,600 pages of information about the advertising business, has just been published, at £12, by Kelly's Directories, Neville House, Eden Street, Kingston on Thames, Surrey.

Advertising is selling. No more. No less.

J.C. Bamford Excavators, Ind Coope Hotels, Royal Doulton Sanitaryware, Hallam Group of Nottingham and Biltons Tableware are just a few of the people who agree with us. Send for our brochure and find out why.

C.B. Brookes Advertising

Combridge House, Combridge, Uttoxeter, Staffs. ST14 5BL. Tel: (0889-26) 487.

How a chartered accountant with a passion for films has influenced British advertising to Europe.

The man in our photograph had ambitions at one time to be a film producer.

Today he is International Business Editor of The Economist.

(Although he still finds time to stay involved with films and is on Sir Harold Wilson's Interim Action Committee to examine the film industry).

David Gordon also happens to be indirectly responsible for the fact that a number of advertisements from this country are taken very seriously in Europe nowadays.

The advertisements we are talking about appear in The Economist.

Over the past five years the circulation of The Economist has increased by a remarkable 35%, with two thirds of this coming from new readers overseas.

At the same time its importance as an international advertising medium has grown considerably.

A significant proportion of these advertisements are corporate statements and financial reports. As well as tombstone advertisements and those publicising international banking achievements.

Which brings us back to David Gordon and his colleagues.

For the reason why The Economist has grown rapidly into a newspaper of world stature—and an essential vehicle for international

advertising—lies in the reputation and skill of its journalists.

A qualified chartered accountant who turned to journalism, David Gordon has the good financial journalist's informed instinct for future developments in international business.

'British companies,' he says, 'have always had a natural urge to invest abroad.'

'In the past this has been hindered by controls to protect the pound—and the sensibilities of those who think it unpatriotic to invest anywhere but at home.'

'But it may quite suddenly become patriotic to spend foreign exchange away from Britain. For, as North Sea earnings accumulate, there will be pressure on the pound upwards, tending to make non-oil exports less competitive.'

'It is not difficult to see that one obvious way to stop the pound going too high would be to remove the restrictions on outward bound

investment.'

With more than 50 journalists of real calibre working for The Economist you can see why it is one of the most respected newspapers in the world.

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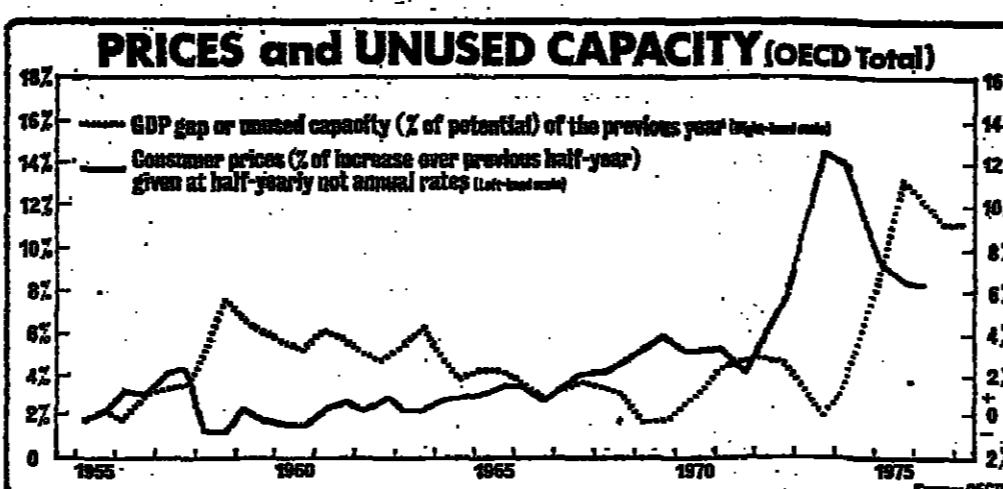
You cannot back every horse in sight

IT IS doubtful if many of the dictions. If governments established new OECD report on lines, they may hope that these what has gone wrong with the world economy since 1973 went to certain desired levels of output and employment, but there is no perhaps a pity. For they would have then discovered that you have given little reason to suppose that their real and monetary targets are compatible. Indeed, the evidence it presents suggests that any attempt to run the world's industrial economy at 1973 levels of activity would generate another inflationary explosion, without achieving, even temporarily, the output target.

It is not very convincing to explain away the check to the world economy since 1973 as just a series of accidents.

The trouble with the overall conclusions is that there is something for everyone. There was the welcome call for the indexation of the personal tax thresholds and for the encouragement of index-linked bonds in both the public and private sectors. These are aspects which Mr. Denis Healey conveniently overlooked in the welcome he gave to the report in a speech this Tuesday, but on which the Commons Finance Bill Committee has already acted. The OECD wise men call for stable monetary guidelines and the linking of revenue to expenditure by means of some form of adjusted budget balance. But they also call for a 5% per cent per annum real growth target for the period 1975-80 for the OECD area and publish a chart of the "narrow path" on which they want output to move with the object of returning to 1972 levels of activity and employment.

There is here a major contra-



Readers of the OECD report German and Japanese experts, Milton Friedman has been the should turn at an early stage to but they cannot be brushed aside for that reason. By comparison with the short notes of reservation he presents suggests that any attempt to run the world's industrial economy at 1973 levels of activity would generate another inflationary explosion, without achieving, even temporarily, the output target, goes on to say: "If a country suffers from inflation the best-forgotten DCE is now this address rather than more technical monetary arguments which should be read to the Bank of England as a warning to the unions against excessive wage claims; but at High Holidays. Another dis- senter, Professor Ryutaro Komiya, has great fun with the adhered to it if conflicts with the advocacy of finely targeted out- put paths (themselves in potential conflict with the monetary guidelines) and the call to real output and employment if strong, surplus countries to give us really did stick to the money lead to world expansion. It is tary guidelines? Contrary to not surprising that these popular belief, the most im- portant remarks should come from the tant contribution of Professor Pinochet."

This was known as the doctrine of the "natural" rate of unemployment (a misnomer if taken literally, as unemployment could certainly be affected by grass roots policies affecting the Labour market).

He returns to the issue in his Nobel Prize Lecture just published by the IEA and has given the argument a new and even more uncomfortable twist. For considerable superficial evidence has accumulated that policies leading to rapid inflation not merely fail to boost activity, but are actually associated with higher, not lower, rates of unemployment.

Most traditional central bankers and vulgar monetarists always supposed this to be the case; but Professor Friedman is nearly as sceptical of the new "positively sloped Phillips curve" associating inflation with high unemployment as he was of the old one associating it with low unemployment.

The danger arises partly because high rates of inflation are in practice not steady but highly variable, both in anticipation and in reality. Because indexing is delayed and imperfect, long-term commitments are discouraged and markets do not function well. In addition governments are tempted to control prices and wages, which further reduces the ability of individual markets to adjust to shifts in demand and supply.

Attempts to demand management of any kind—whether fiscal or monetary—to spend one's way into a target level of employment and activity might work for a while at the expense of a higher rate of inflation. But the trade-off was a transitional one and after a few years we would simply be left with higher inflation. A temporary rise in unemployment occurred while the inflation rate was being reduced; and there was a temporary reduction in unemployment while a higher rate of inflation was being established. But in the longer term there was no relation either way between inflation and unemployment.

The danger arises partly because high rates of inflation are in practice not steady but highly variable, both in anticipation and in reality. Because indexing is delayed and imperfect, long-term commitments are discouraged and markets do not function well. In addition governments are tempted to control prices and wages, which further reduces the ability of individual markets to adjust to shifts in demand and supply. But even these effects are probably transitional. Markets will discover ways of coping with both volatility and governmental intervention, through indexing and indirect avoidance techniques. Efficiency is likely to suffer, but not necessarily employment. But it takes

quinquennia or decades for the many complications. The length worse, not better.

So what can one say that is at all helpful about the effect of inflation or demand management policies on unemployment and activity? Mainly, that there is no systematic relation either way on which we can rely; but that shocks, or abrupt changes of course in either direction are likely to generate a slump. And until we learn far more about how we know at present about how inflationary impulse seems as to change inflationary expectations, we would do better, in my own view, to adjust to a high rate of inflation, fluctuating around 10 per cent plus, and so did the severity of recessions. The ultra-long-term adjustments, in which activity and employment adjust to permanently higher inflation, have not yet happened, or are only beginning, and are thus not yet visible on the chart.

Simplicity

The underlying simplicity, which is the pleasing feature of Professor Friedman's work, is that there is no systematic relation either way on which we can rely; but that shocks, or abrupt changes of course in either direction are likely to generate a slump. And until we learn far more about how

we know at present about how inflationary impulse seems as to change inflationary expectations, we would do better, in my own view, to adjust to a high rate of inflation, fluctuating around 10 per cent plus, and so did the severity of recessions. The ultra-long-term adjustments, in which activity and employment adjust to permanently higher inflation, have not yet happened, or are only beginning, and are thus not yet visible on the chart.

First, lower unemployment—the Keynesian reaction.

Second, higher unemployment—the sound money man's revenge.

Third (after a decade or more), no effect on unemployment—money is just a veil and trying to suppress the symptoms is likely to make both

unemployment and inflation worse, not better.

Letters to the Editor

Accounting and inflation

From Mr. J. A. Harbott.

Sir.—The great inflation accounting debate continues and at a special meeting of the Institute of Chartered Accountants on July 6 a small body of accountants is seeking to prevent its compulsory introduction.

Despite the well-publicised arguments put forward in favour of inflation accounting, I cannot escape from a deep sense of apprehension and feel sure that many other accountants must be similarly afflicted.

The cause of the apprehension is hard to pinpoint, but I think it arises from a gut feeling that accounting for inflation is a form of capitulation to the ailment itself and far from helping to solve the problem will in fact exacerbate it by the additional prominence given to it. Is there perhaps an analogy with decimalisation which, with hindsight, is widely accepted as having contributed to inflation, whereas prior to its introduction, no such after effect could have been foreseen?

Surely every accountant should think very hard before becoming a party to an accounting system which in effect acquiesces in the debasement of the currency—a course of action which would cause some of our forbears to turn in their graves. Surely we would all be better served if the combined intellectual powers of the accounting profession were brought to bear on ways of arresting inflation rather than enshrining it in a system of accounting.

J. A. Harbott,
27 Alcester Road,
Pocklington, Yorkshire.

Premium rates

From the Deputy General Manager and Secretary, Scottish Widows' Fund and Life Assurance Society.

Sir.—It would be unfortunate if Mr. A. D. Levaggi's letter (June 11) were allowed to pass unchallenged, particularly in his first paragraph.

It is true that this society, in common with all life offices, exercises a degree of selection in the risks it underwrites but this is not exactly symptomatic of the society's normal commercial practices and it would be quite wrong to conclude that resulting mortality profits are a major contributory factor to the outstanding results achieved for profit polioholders. In fixing premium rates the three principal factors have to be taken into account, namely, the likely rate of return on premium to be invested over a considerable time in the future, the likely level of expenses to be incurred, and the likely incidence of death claims. Of these only the last can be forecast with any degree of precision.

The likely rate of return on investments is largely a matter of educated guesswork and prudence dictates that a conservative view of interest rates must be taken at the outset. It is the difference between this assumption and investment results ultimately achieved which is the major contributory factor when surplus for distribution as bonus is established. So far as mortality risk is concerned, there is available a large mass of published statistical information based on actual mortality of lives "selected" for life assurance. The assumptions on which premium rates are founded will depend on the individual office's view of the extent to which its own experience may be expected to follow or diverge from the pattern of standard mortality tables. Having encouraged, but it is absurd to

AA surcharge on vehicles

From the Public Relations Manager, The Automobile Association.

If the matter in perspective, in the calendar year 1976 almost 93 per cent of proposers to this society for life assurances were accepted at the ordinary rate of premium and only 1.8 per cent were declined or had the decision delayed. The proportion accepted at ordinary rates in 1975 was 94 per cent. Furthermore out of the society's last declared rate of vested bonus for assurance contracts of 4.4% per cent per annum no more than 0.15 per cent was attributable to the society's mortality experience being more favourable than expected according to the premium based C. M. Cavaye, Scottish Widows' Fund and Life Assurance Society.

P.O. Box 902, 15, Dalkeith Road, Edinburgh.

Holdings by nominees

From Mr. P. Allin.

Sir.—As a statistician I would disagree with Mr. S. W. Penwill (June 13). Until registrars of companies have circulated all their shareholders under Section 27 of the Companies Act 1976 there is no true picture of holdings can emerge. To say that it is unlikely that certain types of investors act as nominees will remain a subjective view until Section 27 produces some information.

If the circulation of all shareholdings is unwelcome then registrars could call on a friendly statistician to suggest a random sample across all kinds of shareholder.

P. V. Allin,

23 Tinten Street,

Chesterfield, S.W.4.

Added value and incomes

From Mr. E. Rutherford.

Sir.—I was sorry to read (June 3) that Dr. Jones and Mr. Curry found difficulty in understanding the point I made in my response to their earlier letter. Let me try to direct their attention to one central flaw in their argument.

I understand them, they advocate an incomes policy constructed in such a way that the scope for pay rises is increasingly restricted as the proportion of a firm's added value which is taken by wages increases.

If the term is used by economists, could be measured for an individual firm, it would be a measure of the efficiency of the firm as a combination of labour, capital, equipment, managerial skill, etc. The ratio of wages to added value would not necessarily imply anything about the efforts of the labour force. A firm which adopts a relatively capital intensive mode of production will have a relatively lower total wage bill for any level of added value.

Unlike normal commercial practice, the added value of obtaining spares for these vehicles and because of this they often have to be transported back instead of being put right on the spot.

R. S. Campbell,

The Automobile Association,

Futura House,

Basingstoke, Hants.

No claim bonus

From Mr. D. Hanson.

Sir.—I have read with interest the correspondence on the Automobile Association breakdown services as I have myself corresponded at some length with the Association on the subject of some form of "no claim bonus."

I am very concerned at the figure quoted by Mr. Campbell (June 8) of claims on the breakdown services being made by an average of about half the membership. In a membership of over 40 years, partly with the RAC and partly with the AA, I have availed myself of this service only twice, in 1958 and again in 1968. I should like to see the evidence that "well maintained cars" show little difference in the breakdown rate, as on those occasions when I have myself rendered roadside assistance, it has seemed very obvious that the need for assistance stemmed from a combination of ignorance and lack of proper maintenance. Regular servicing at intervals of 3,000 or 6,000 miles is now a very expensive item, and I suspect that there are large numbers of motorists whose cars are not regularly serviced in accordance with makers' instructions.

Mr. Tugendhat, however, claims benefits from the CAP which are misleading. He sees a world in which stable and plentiful supplies of food are becoming almost daily rarer and more valuable," yet it is likely that by the end of this year there will again, as in the 1960s, be a large surplus of grains. He cites the Teddington, Middlesex.

success of the CAP in bringing adequate supplies of sugar and cereals to Community consumers in the shortage of a few years ago. Such shortages are recurring, but temporary.

I find it hard to accept that an

inadequate computerised organisation like the AA does not or could not maintain an adequate system of records within its existing administrative structure. After all, motor insurance companies manage to do it, and they have the infinitely more difficult task of recording details of claims to determine whether the circumstances of the accident were such as to invalidate the no claim bonus, or whether it should be preserved. To delete the bonus for every individual who has called on the services of the AA during the previous year would be a relatively simple matter, as no investigation of the nature of the car would be required.

I am afraid that, without some encouragement of this nature, many of the "non claiming" motorists will drift away from the AA as subscribers.

It is something that would be a matter for concern to the AA, as no one likes to lose their better risks.

J. A. Hanson,
11 Hull Road, Leckhampton,
Cheltenham, Glos.

Part-time directors

From the Chairman,

Brix Woodhead and Co.

Sir.—There were good topical points in Mr. Hutchinson's letter (June 11) and I have to agree that part-time directors are most successful and most marketable if they have a track record as executive directors.

I would not rule out part-time directors as an aid to smaller companies, not as a "survival kit" but as a good value for money normal method of widening horizons and experience in the firm. Injecting short term consultancy is not always appropriate, long term assistance from a part-time director can prove to be most acceptable to the firm, most successful in achieving results and rewarding in every sense to the director concerned.

The key lies in matching the company's needs to the people available and while there has never been such an ample supply of high calibre directors willing to undertake the part-time role, many companies do not yet realise how cost effective this form of assistance can be.

A. B. Woodhead,
107, Horbourn Road,
Edgbaston, Birmingham.

Air mail rates

From Mr. A. Berry.

Sir.—The Post Office has just put up its postage rates and I must write to congratulate Mr. Weiss (June 10) on pointing out to all businesses the steep increases being inflicted on commercial air letters.

The blurb put out by the Post Office some weeks ago does indeed tend to mislead the unwary by its statement that there is "no increase in the air mail basic unit charges" while failing to point out that the new weight steps proposed increase the cost of a 15 gms. letter by between 57 per cent and 68 per cent, depending on the zone to which the letter is addressed.

Altering the weight steps in this way is a real blow for exporters who, quite logically, do not use the airmail service for single-sheet correspondence alone, but mainly for sending out pre-formatted invoices, leaflets, shipping documents, etc., all vital stuff which forms the day-to-day life of an exporter. Surely, if the weight steps had to be changed as part of a policy of rationalisation, why could not the Post Office have adjusted its charges accordingly to soften the blow?

A. C. Berry,
27, Trafalgar Lodge,
Walpole Road.

GENERAL

Overseas trade figures and balance of payments current account for May.

Prime Minister meeting building, employers, architects and representatives of National Joint Council and the Civil Engineering Construction Board to discuss production (April).

GENERAL ELECTION IN IRELAND

British and Commonwealth Shipping (full year), English China Clays (half-year), Arthur Guinness Son and Co. (half-year), London and Overseas Water (full year), Tate and Lyle (half-year), UEM Group (full year).

COMPANY MEETINGS

British and Commonwealth Connaught Rooms, W.C. 12, Albermarle, London.

COMPANY STATISTICS

U.K. banks' assets and liabilities

To-day's Events

S.W. 11, Automotive Products.

Grosvenor House, W. 12, Compagnie Financière Quatting, S.W. 12, Credit International.

Connaught Rooms, W.C. 12, Dutton-Forsyth, Park Lane Hotel, W. 12, Executives Clothes, Leeds.

W. 12, GHP Group, 87, Tooley Street, S.E. 12, 30, Industrial and General Trust, Winchester House.

E.C. 12, 45, John Laing, Hemel Hempstead, 215, London and Scottish Marine Oil, Winchester House, E.C. 3, 35, Morgan Crucible, Battersea Works, S.E. 4, 30, Porter Chadburn, Liverpool, 12, 15, Purbeck, Ilfracombe, 12, 15, and L. Randall, Porters Bar, 11, 30, Scottish Mortgage and Trust, Edinburgh, 10, 30, Ushers Walker, Connaught Rooms, W.C. 12, Allied Leather Industries, Grosvenor Victoria Hotel, 12.

COMPANY NEWS + COMMENT

Chubb advances £2.3m. to best ever £14.1m.

GROUP turnover of Chubb and Son, rose from £133.36m. to £159.45m. for the year ended March 31, 1977, and pre-tax profit was ahead from £11.77m. to a record £14.1m. after being up from £4.35m. to £5.14m. at half-time.

For the year stated earnings per 25p share are up from 11.59p to 13.31p—the net final dividend was 70 per cent higher thanks to the strength of the export business—three-quarters of total sales—in particular the U.S. and Australian markets. Armitage Shanks has been held back by the slump in the building trade in most of the countries where the company operates and profits are £1m. lower, while there are few encouraging signs this year. A strong trend in its European operations has been the driving force at Chubb and profits are 20 per cent. higher. At Lindt Industries, however, there was a noticeable slowdown in the growth rate during the second half with the textile side the main problem area.

The retained profit figure is £4.15m. (£3.83m.) but in addition there has been taken to reserves some £342,000, being the increase in opening values of stock and work in progress.

Tax has continued to be provided fully on the profits of the year, including some £2.87m. transferred to deferred taxation. It is intended to review the policy during the coming year with the object of reducing the deferred taxation provision wherever appropriate.

The figures do not include the trading results of Gross Cash Registers or its subsidiaries, purchased with effect from January 19, 1977, or for L. and F. Willenhall purchased with effect from January 1, 1977, although the Chubb shares issued in connection with the purchase of both companies rank for payment of the final dividend.

Turnover	1976-7	1975-6
Trade profit	15,726	12,985
Net interest	1,721	1,706
Stocks	2,856	2,253
Profit before tax	14,109	11,301
U.G.C. tax	4,125	5,671
Dividends	3,925	3,830
Assets tax	711	711
Net profit	8,750	8,388
Minorities	710	700
Attributable	8,240	8,378
Extracts debts	209	209
Dividends	1,713	1,706
To capital redemption	19	19
Retained	4,128	3,832

¹ After double tax relief.

♦ comment

Chubb's full-year profits are up to expectations with a rise of a fifth pre-tax, helped by a material increase from the Europe operations, which made profits of only £811,000 in 1975-76 on sales of £25m. Evidently margins in Europe are still below par, but they are improving. The U.K. business has been fairly unexciting and Canada has been held back by anti-inflation legislation. For the current year steady progress can be expected from existing operations and the company will be making its first inroads into the U.S. market, which is likely to be fairly modest at first. The Gross Cash acquisition will be consolidated this time and Chubb reckons it will have curbed its losses by the year-end and brought it up to break-even, and profits of £1m. could be made by 1980. At 11.2p the p.e. is 8.5 but the yield of 4.9 per cent. is a point below the industrial average, though with a cover of 3.8 times there is room to manoeuvre if dividend legislation is lifted next year.

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Bluemel Bros. see increase

FIRST HALF turnover of Bluemel Bros. improved from £1.88m. to £2.3m. and profit was up from £10.245 to £15.455 before tax of £96.500, against £88,000.

The directors report that demand for the entire range of products has been running at a high level and this has continued so far in the second half. They are therefore confident that the results for the full year to September 30, 1977 will be substantially better than last year's £273,548.

Stated earnings are up from

2.73p to 3.91p per 25p share in the first half and the net interim

HIGHLIGHTS

The bid defence document from Fodens reveals a substantial turnaround in profits and shareholders are strongly advised not to accept the Rolls-Royce offer. Lex also covers the CompAir half-time statement, where profits are 70 per cent. higher thanks to the strength of the export business—three-quarters of total sales—in particular the U.S. and Australian markets. Armitage Shanks has been held back by the slump in the building trade in most of the countries where the company operates and profits are £1m. lower, while there are few encouraging signs this year. A strong trend in its European operations has been the driving force at Chubb and profits are 20 per cent. higher. At Lindt Industries, however, there was a noticeable slowdown in the growth rate during the second half with the textile side the main problem area.

Downturn at Armitage Shanks

SECOND HALF profits of Armitage Shanks Group fell from £1.72m. to £1.57m., leaving the net profit for the year ended April 2, 1977 down from £2.2m. to £2.0m. Turnover reached a record £36.12m. against £31.08m.

The general building slump in most of its major areas, the U.K., Australia, South Africa and Malaysia, explains Armitage Shanks' 16 per cent. fall in annual pre-tax profits. Despite a 16 per cent. rise in sales value during the year, overall volume has actually fallen, and in a volume sensitive business this has meant a sharp reduction in profit margins—from 8.2 per cent. to 6.4 per cent. The U.K. building sector will remain depressed in the second half and continuation of the present profit trend depends on the success of exports, says Mr. R. G. Tomkinson, the chairman.

During the first half home market carpet sales reached a new nadir, so the company has continued its successful policy of building up export sales which have so far remained buoyant. Mr. Tomkinson says:

The Axminster carpet company expanded into overseas markets and as a result traded profitably. The yarn spinning operation continues to grow as planned and the directors expect a steady increase in cash flow and profits there in the future. The suffered company has suffered substantial losses and necessary steps to stabilise the situation in the second half, have been taken. After taking account of any likely deferred tax there is an extraordinary credit of £34,000 from the gain on a sale of surplus fixed assets originally purchased in connection with the company's spinning mill development.

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Stated earnings are up from

2.73p to 3.91p per 25p share in the first half and the net interim

is no longer considered necessary

to meet the tax charge.

Assuming a reduction to 33 per cent. this final would be 0.07p net, making the second interim and final net dividends equivalent to a gross distribution of 3.46p, the same as last year. The second interim would absorb £471,000, the final will also be paid to meet the change.

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CompAir £5.8m. midway and improving

Sales of CompAir expanded from £61.5m. to £63.92m. for the half year to April 3, 1977, and pre-tax profit improved from £3.44m. to £5.36m. The company makes air compressors and pneumatic tools.

The directors say they look forward with confidence to a steady factory outcome to 1977. In general, the order position remains encouraging in both the industrial and construction sectors and prospects for the second half, which accounts for the greater share of the year's profit, appear good.

For the full year to September 30, 1976 profit was a record £12.7m. The net dividend was raised from 12p to 15p and the directors say the final payment will depend on the Government's policy on dividend restraint. Last year's total was £2.071m.

The group's strength in overseas markets has been a major factor in the improvement with overseas business continuing to account for nearly three quarters of total sales, say the directors.

Half-year results for 1977 show a 10 per cent. increase in sales.

Trading profit rose from £6.25m. to £8.25m. and net assets from £124.2m. to £134.2m.

Associate share profit rose from £2.08m. to £2.68m. and pre-tax profit from £3.44m. to £5.36m.

Minorities' profit fell from £1.08m. to £0.88m. and net assets from £1.08m. to £0.88m.

See Lex

Canadian & Foreign Investment

Mr. N. O. Taube, the chairman of Canadian and Foreign Investment Trust, says in his annual statement that the group's investment in Canada, traditionally an important part of the holdings, has been reduced during 1976-77 from 13 to 7½ per cent. of assets largely by the sale of securities.

This move was made because the directors were worried about the political outlook in that country and also because investments in the U.S. appeared relatively more attractive. They do feel, however, that long-term job prospects in Canada remain favourable and do not propose any further reduction in representation there at present.

As far as the U.K. is concerned, the company has maintained a fair degree of liquidity in anticipation of being able to invest funds to advantage in the future. Until inflation in the U.K. is brought under strict control there is little prospect of sustained prosperity, says the chairman.

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Meeting, 9, Bishopsgate, E.C., on July 6 at 11.30 a.m.

Highgate and Job advances to £264,000

With the recovery in the protein division from a pre-tax loss of £50,000 profit, marine oil-refiners and protein meat producers, Highgate and Job Group, have had an advance in 1976-77 from £120,000 to £264,000 in the year to March 31, 1977. Sales were ahead by £50,000 to £254,000.

Improvement was forecast at half-year when profits were up from £35,000 to £57,000.

Bearing in mind the uncertainty regarding the future of sperm oil and of animal feeding

current year at this stage, the

Barr & Wallace outlook

THE final result for 1977 at Barr and Wallace Arnold Trust will be similar to last year's record pre-tax profit of £1.1m. but Mr. J. M. Barr, chairman, expects a different pattern of contributions from the divisions.

Referring to the computer bureau division, Mr. Barr tells members that prospects are good and the directors will shortly be considering the viability of establishing a fourth centre in the south of England.

In the holidays division, the new venture into British coach tours in the West Midlands continued to progress in 1976; this trend is continuing into 1977, he adds.

Turning to the motor division, the chairman says that the new dealership in Bradford has been profitable in the first four months of 1977 and is expected to make a profit for the full year.

At Wallace Arnold Sales and Services (Nottingham), early results in 1977 indicate a reversal of the loss situation.

Other dealerships are well ahead of 1976, he adds. Overall prospects for the motor division are "excellent".

As known, the 1976 profit was a 20 per cent. improvement on the previous year. The holidays and computer divisions both achieved record results.

Capital expenditure contracted for 1977 is estimated to £1.02m. (6.27m.) and that authorised but not contracted was £20.00m. (22.00m.).

Cash balances dropped by £250,000 (£27,000), short-term loans increased by £525,000 (£190,000 decrease) and net liquid funds were down by £778,000 (£163,000 increase).

Meeting, Leeds, July 8, noon.

Alliance Inv. improvement

After higher interest charges of £250,000, compared with £173,000, revenue of Alliance Investment (0.44p). The profit was struck Harris adds.

MONEY MARKET

Interest rates easier

Bank of England Minimum Lending Rate 5 per cent. (since May 13, 1977)

Fixed period interest rates were slightly easier in general in the London money market yesterday, with discount houses buying rates for three-month Treasury bills at 7.75-7.78 per cent., compared with 7.75-7.78 per cent. previously. The yield for the month sterling certificates was also slightly lower at 7.75-7.78 per cent. compared with 7.75-7.78 per cent. on Tuesday.

June 14 1977	Sterling Certificates of deposit	Interbank	Local Authority deposit	Finance House Deposits	Company Deposits	Discount market Deposits	Treasury bills 9	Eligible Bank bills 9	Plus Trade bills 9
Overnight	—	3.7	6.5	—	—	7.4	5.7	—	—
2 days notice	—	—	6.5	—	—	—	—	—	—
7 days notice	—	6.5	7	7.4	7.4	7.4	7.4	7.4	7.4
One month	7.4-7.5	7.4-7.5	6.5-6.6	6.5-6.6	6.5-6.6	7.4-7.5	7.4-7.5	7.4-7.5	7.4-7.5
Two months	7.4-7.5	7.4-7.5	6.5-6.6	6.5-6.6	6.5-6.6	7.4-7.5	7.4-7.5	7.4-7.5	7.4-7.5
Three months	7.4-7.5	7.4-7.5	6.5-6.6	6.5-6.6	6.5-6.6	7.4-7.5	7.4-7.5	7.4-7.5	7.4-7.5
Six months	7.4-7.5	7.4-7.5	6.5-6.6	6.5-6.6	6.5-6.6	7.4-7.5	7.4-7.5	7.4-7.5	7.4-7.5
One year	7.4-7.5	7.4-7.5	6.5-6.6	6.5-6.6	6.5-6.6	7.4-7.5	7.4-7.5	7.4-7.5	7.4-7.5
Two years	7.4-7.5	7.4-7.5	6.5-6.6	6.5-6.6	6.5-6.6	7.4-7.5	7.4-7.5	7.4-7.5	7.4-7.5
Five years	7.4-7.5	7.4-7.5	6.5-6.6	6.5-6.6	6.5-6.6	7.4-7.5	7.4-7.5	7.4-7.5	7.4-7.5
Ten years	7.4-7.5	7.4-7.5	6.5-6.6	6.5-6.6	6.5-6.6	7.4-7.5	7.4-7.5	7.4-7.5	7.4-7.5

Local authorities and finance houses as well as four notice, others seven days' fixed.

Long-term local authority interest rates normally three years' 10 per cent., two years' 12-13 per cent., five years' 13-15 per cent. & Bank bill rates are being used for notice paper.

Borrowing rates for four-month bills 7.1-7.2 per cent., two-month 7.5 per cent. and three-month 7.8 per cent.

Approximate selling rate for one-month Treasury bills 7.1-7.2 per cent., two-month 7.5 per cent. and three-month 7.8 per cent.

Approximate selling rate for one-month finance house bills 7.1-7.2 per cent., two-month 7.5 per cent. and three-month 7.8 per cent.

Approximate selling rate for one-month discount certificates 7.1-7.2 per cent., two-month 7.5 per cent. and three-month 7.8 per cent.

Discount rates for small sums at seven days' notice 4 per cent. Charter Bank base rate for lending 6 per cent. Treasury bills. Average lending rates of 7.4-7.5 per cent.

Warren Plant soars £2.76m.

FOR 1976 taxable profit soared by £2.76m. to £4.67m. for Warren Plantation Holdings. Turnover was up from £9.5m. to £13.3m.

At halfway the directors forecast a substantial increase.

Under a new accounting policy

year-end stocks are valued at cost.

On the previous reporting basis

1976 was up from £0.25m. to £0.42m. and turnover £56.5m. (£51.6m.).

The directors report that the current year has started well and they anticipate paying a net dividend of 15p per 25p share for 1977.

Under a new accounting policy

year-end stocks are valued at cost.

On the previous reporting basis

1976 was up from £0.25m. to £0.42m. and turnover £56.5m. (£51.6m.).

The company was formed in May

1976 to effect a scheme of re-organisation of Warren Tea Holdings.

All comparative figures

therefore relate to the latter company.

Turnover £1,011,214, £9,555,280

Profit before tax £1,452,067, £1,094,993

Tax £3,666,668, £1,442,182

Net profit £1,011,214, £621,622

Dividends £1,011,214, £621,622

Interest on Debenture £1,011,214, £621,622

Interest on Debt £1,011,214, £621,622

Interest on Trade £1,011,214, £621,622

Interest on Capital £1,011,214, £621,622

Interest on Current £1,011,214, £621,622

Interest on Bank £1,011,214, £621,622

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BIDS AND DEALS

Fodens forecasting £1.7m. profit

Fodens, the specialist commercial vehicle manufacturer, is estimating pre-tax profits of around £1.5m. for the year ending April 2, 1977, in its first official reply to the welcome £8.5m. take-over bid from Rolls-Royce Motors. In addition, Fodens is also forecasting a net dividend of 2.375p which has received Treasury approval.

The official rejection document, which describes the bid as being both inadequate and without commercial logic, also tells shareholders that the current year has started well and that, barring a collapse in the demand for trucks, results for the new financial year will be "satisfactory".

Mr. William Foden, the chief executive, said yesterday that any improvement in 1977-78 was unlikely to be dramatic but added that "the results of all the work that the Board has put in since 1975 will not emerge fully until 1978-79".

Fodens, which got into financial difficulties in 1975 and was effectively saved by institutional support, is the latest company to have introduced a new range of trucks and has moved out of the red—a loss of £1m. was recorded for 1976—back into profits.

The institutional element, which will be decisive in the outcome of the bid should it develop into a full-scale battle, is reckoned at over 60 per cent., taking into account the conversion into equity of the Convertible Preference shares.

The terms of the offer—seven R.D. shares for every 10 Foden shares at a total value of £1.5m.—reflect the latest at just under 4p per share at last night's prices. This compares with Fodens' current share price of 46p.

Mr. Leslie Tolley, the chairman of Fodens, says in the letter to shareholders, that the bid does not affect the automotive

growth and that "shareholders carpet interests of both groups, and will be subsidiary of Miles Redfern with Bury and Alcos holding a 20 per cent. interest. Combined assets of the new company will be £1m. and turnover in the first year is expected to be in the order of £2m."

See Lex.

Cavenham bid unconditional

Sir James Goldsmith's 540m. bid, through his French company Générale Occidentale, for half the 49 per cent. of Cavenham which it does not already own, has been declared unconditional. The offer for half of the Cavenham warrants, and both, others have come in.

Acceptances have been received in respect of at least 49.4m.

Ordinary shares about 83 per cent. of the outstanding capital and at least 2.7m. warrants—some 67 per cent. of those outstanding.

Since acceptances have been received for more than 25.8m. shares under offer and more than half the warrants, GO will scale down acceptances to make them "conditional" on the outcome of the vote.

Ordinary shares formerly held by GO will not scale down acceptances received in respect of one half or less of any individual's total holding.

Because of the substantial number of acceptances which require further verification, it is not possible to give the basis of scaling down, but GO promises a further announcement as soon as possible.

MILES REDFERN

Agreement has been reached by Miles Redfern (a subsidiary of BTR) and Bury and Masco Industries (a subsidiary of Bury and Masco (Holdings)) to form a new company, Miles Masco. Mr. D. H. Leonard, director, has said

that "shareholders carpet interests of both groups, and will be subsidiary of Miles Redfern with Bury and Alcos holding a 20 per cent. interest. Combined assets of the new company will be £1m. and turnover in the first year is expected to be in the order of £2m."

See Lex.

VAUX DENIAL

The directors of Vaux Breweries state they are aware of the rumours surrounding recent movements in share prices and have issued a statement to employees saying that so far as they know there is no more substance in the current rumours than in any previous one.

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See Lex.

SHARE STAKES

John I. Jacobs: Mr. John H. Jacobs, director, and family now have a beneficial interest of 1,650,000 shares (7.16 per cent.).

A beneficial interest of 200,000 shares in the name of Lloyds Bank Trustees having become a non-beneficial interest.

Brain Group: Avondene Properties has acquired 20,000 shares making total holding 27,282 shares.

Farnell Electronics: Mr. A. C. Farnell and associates have divested themselves of all 30,000 shares as well as their rights to the equity of Blundell-Pergola.

Anglo Indonesian Plantations: Camellia Investments and its subsidiary have acquired a further 35,000 shares making total holding 260,000 shares (6.3 per cent.).

Holdings: informed that 260,000 Ordinary shares formerly held by Mr. E. Boles have been sold with institutional investors. Mr. Boles' holdings was previously 262,200 shares (5.37 per cent.).

Carless, Capel and Leonard: Mr. D. H. Leonard, director, has said

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See Lex.

BLUNDELL PERMOGLAZ

Britannia Trust Management, the unit trust arm of Slater Walker Securities, confirmed yesterday that funds within the group had sold collectively a stake representing around 7.1 per cent.

Mr. T. D. Keegan, will retire at the end of the year at his own request. Mr. M. B. Hacker will continue as managing director of Transmieridion, whose Board of Mr. W. B. Slater, Mr. J. R. Jimson, and Mr. A. F. Ford of Cunard, have now joined. Mr. Slater has been elected chairman.

Transmieridion's founder and the principal vendor shareholder, Mr. T. D. Keegan, will retire at the end of the year at his own request. Mr. M. B. Hacker will continue as managing director of Transmieridion, whose Board of Mr. W. B. Slater, Mr. J. R. Jimson, and Mr. A. F. Ford of Cunard, have now joined. Mr. Slater has been elected chairman.

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GERMAN COMPANIES

Krupp looks to special steels to end losses

BY JONATHAN CARR

ERIED, KRUPP, the diversified West German industrial concern, hopes to get its loss-making steel sector out of the red this year, through further rationalisation and greater emphasis on special steels production.

Therefore, while Krupp is ready for talks on co-operation with other German steel companies, it does not feel impelled to initiate such discussions. Nor does it feel mergers will necessarily solve the problems of the steel industry.

This became clear during the annual Press conference of Krupp, whose other interests include shipbuilding, industrial plant manufacturing, and trade. Its results show a net profit of DM90.6m. in 1975, with losses on steel counterbalanced by good results in several other areas.

The meeting comes at a time of increasing debate on the future shape of the West German steel industry. It is being widely asked whether a new structure is needed to match not only competitors outside Europe but also European enterprises enjoying special status.

Krupp's own strategy to meet the steel crisis has been twofold. It has taken steps to build up its special steels business at the expense of the loss-making mass steel production. One key move in this direction has been the acquisition of a majority stake in Stahlwerke Südwesfalen, which is being included in the consolidated results from the start of the year.

And it is aiming in the long term to concentrate its investment especially on plant construction, and on the trade and services sector.

Thus steel, with which the name of Krupp has so long been associated, will increasingly play a less important role in the concern. In fact this trend has been under way for some years. In 1970 steel accounted for 35 per cent. of Krupp turnover. Last year it accounted for 28 per cent. or DM3.1bn. out of total group sales which increased by 4 per cent. from 1975 to DM8.7bn. Group orders, however, fell by nearly 3 per cent. to DM8.5bn.

One of Krupp's fears is that it may come under pressure, perhaps for political reasons, to merge with an ailing West German steel competitor to try to save jobs. But Krupp insists this simply creating bigger units will solve nothing.

Now is such a strategy likely to appeal to Iran, which last year decided to take a stake of 25.01 per cent. in Krupp GmbH? (ft)

DDG-Hansa dividend cut

By Adrian Dicks

BONN, June 15 DEUTSCHE Dampfschiffahrts-Gesellschaft "Hansa" the Bremen-based shipping line, has filed its dividend to DM6 per DM50 share from DM7, following a 10 per cent. cut in the year of continuing stagnation in the world shipping market and what the board describes as the "invasion" of its traditional routes by Soviet vessels.

Earnings per share for DDG-Hansa were down from DM49 in 1975 to DM11 last year, the board states in its annual report. During 1977, the combination of an unchanged situation in the charter market, surplus tonnage in many sectors, and continuing cost increases is likely to lead to a further decline in profitability.

The report makes clear that DDG-Hansa has suffered from

Bally to sell back ODB to Syndikats

ZURICH, June 15.

C. F. BALLY AG net profit for the year ended April 30 rose to Frs.4.08m. from Frs.1.18m. the previous year, Reuter reports.

A dividend of Frs.30 has been recommended. This is the first dividend since the Frs.25 paid for the year to April 30, 1974.

The Board said it decided to sell back to Syndikats AG the Overseas Development Bank, purchased in February this year, at the purchase price plus interest.

Syndikats AG owns a majority stake in C. F. Bally AG.

The Frs.22.5m. share capital of Overseas Development Bank was in possession of the holding company, Bally Anlagen AG, acquired earlier this year. The purchase price was not given.

The Board said Walter Heiniger, who agreed to continue as chairman to ensure continuity of the company when it was taken over by Syndikats AG in January this year, has now resigned.

The Board elected Walter Koenig as new chairman and Conrad Wirth as vice-chairman.

Werner Rey, former vice-chairman and managing director, will continue as Board delegate, the statement said.

Mannesmann sales fall 7%

TIME HOLDINGS INC. and N. V. Amey said that the previously announced preliminary agreement for the acquisition by Amey of Time Holdings has been revised to provide for a cash merger of a newly organised wholly-owned U.S. unit of Amey into Time. AP-DJ reports from Milwaukee.

It is anticipated that the merger will be completed in early-January of next year. Shareholders will receive a per share price subject to adjustment of at least \$3.50 a share.

As previously announced, the Bank of Commerce unit of Time will be spun off to the shareholders of Time prior to the merger which is subject among other things to the preparation and execution of a definitive agreement.

It is also subject to the approval of the boards of Amey and Time and the shareholders of Time, the Wisconsin Insurance Commissioner, insurance commissioners in other states where Time Insurance Company, the principal unit of Time Holdings, is qualified to do business

BANK OF ENGLAND QUARTERLY

Eurocurrency trade expands

BY MARY CAMPBELL

IN THE first indication so far banks was less than half this from official statistics of trends figure in the three earlier quarters in the Euromarkets this year the terms of last year.

Bank of England Quarterly The London market accounts Bulletin shows that the Euro for 40-50 per cent. of the Euro-currency business of banks in currency market as a whole and the U.K. continued to grow very fast in the first quarter of this year. Growth was at the same rate as in the fourth quarter of

the year. The absolute figures for borrowing and lending for each maturity band suggest that London banks continued to receive more in repayments of long term Eurocurrency loans than they provided in new long term loans.

Although the actual increase in maturities of banks' lending and in foreign currency deposits borrowing shows that there was with London banks was only a further big increase in the \$m. in the first quarter, consistent to which banks in London pared with \$14.4bn. in the last were using very short-term quarter of 1976, after taking money to finance longer term account of seasonal factors the lending (see table). The main Bank reckons that the underlying factor behind this continuing rate of growth was about the trend—which is in some quarters \$8.9bn. in each of the two quarters regarded as destabilising since this year.

The rate of expansion of the less well equipped to face a run Euromarket business of London on deposits—is thought to be

largely due to the further decline in Eurodollar interest rates. This would tend to cause depositors and extended to hold back from taking money to finance longer maturities in the hope that they would get better rates in the first quarter of this year.

Perhaps most significant is the fact that banks in Japan hardly continued to cut back their borrowing from the London market—Japan's net borrowing from London banks, less deposits with them, had fallen very sharply in the last quarter of last year from a net \$13.8bn. to a net \$12.8bn.

The value of outstanding loans not due to be repaid for at least three years was by February lower than it had been in August last year, though not by much—\$27.9bn. down from \$28.2bn. However, loans due to be repaid between one and three years hence rose from \$16.0bn. to \$19.3bn. between August and February.

U.K. BANKS' DEPOSITS AND LENDING BY COUNTRY OR AREA

	1976	1977	1976	1977
Net deposits —/net borrowing			Net deposits —/net lending	
Sbn.	Mar. 31	Dec. 31	Sbn.	Mar. 31
United States	—2.7	—3.2	Less than 8 days*	—9.4
Canada	—2.1	—2.5	8 days to less than 3 months	—5.9
European Economic Community	—0.9	—1.4	3 months to less than 1 year	—17.8
Other Western Europe	—15.1	—11.8	Net borrowing up to 1 year	—6.9
Eastern Europe	—5.3	—6.1	Net lending at 1 year and over	—33.5
Japan	—12.7	—12.6		—0.3
Oil exporting countries	—18.9	—22.9		—0.3
Countries engaged in offshore banking	—7.5	—8.5		
Other countries	—2.9	—1.2		
	—10.3	—10.6		

Source: Bank of England Quarterly Bulletin

MATURITY STRUCTURE OF NON-STERLING BUSINESS OF BANKS IN BRITAIN

	1976	1977	1976	1977
Net deposits —/net lending			Net deposits —/net lending	
Sbn.	mid-Nov.	mid-Feb.	Sbn.	mid-Nov.
Less than 8 days*	—9.4	—11.0	Less than 8 days*	—9.4
8 days to less than 3 months	—5.9	—7.3	8 days to less than 3 months	—5.9
3 months to less than 1 year	—17.8	—17.0	3 months to less than 1 year	—17.8
Net borrowing up to 1 year	—6.9	—5.8	Net borrowing up to 1 year	—6.9
Net lending at 1 year and over	—33.5	—34.1	Net lending at 1 year and over	—33.5

* Figures in italics include all holdings of London dollar certificates of deposit, regardless of maturity, as these are immediately realisable assets for the holding bank.

Source: Bank of England Quarterly Bulletin

AMERICAN NEWS

Kaiser Aluminum price move

BY JOHN WYLES

AN ANNOUNCEMENT by Kaiser Aluminum and Chemical Corporation that prices of its products are to rise by 4 per cent. is expected to herald a fresh round of price increases by major U.S. manufacturers of aluminium products.

Kaiser's latest price rise brings the total increase in the cost of its products so far this year to 10 per cent. It raised the cost of a primary aluminium ingot from 48 to 51 cents a pound in March, and from July 1 the price will be 53 cents a pound.

The political sensitivity of aluminium pricing is highlighted by Kaiser's disclosure of talks with the Council on Wage and Price Stability, the Government body which monitors prices. The meetings, one last week and one on Monday, were both attended

by Mr. Michael Blumenthal, the Secretary of the Treasury. A spokesman for Alcan, which has opened the round of March price rises, had no direct comment.

Weekly Net Asset Value on June 13th 1977

Tokyo Pacific Holdings N.V.

U.S. \$40.59

Tokyo Pacific Holdings (Seaboard) N.V.

U.S. \$ 29.59

Listed on the Amsterdam Stock Exchange

Information: Person, Heijding & Person N.V. Herengracht 214 Amsterdam

BY OUR OWN CORRESPONDENT NEW YORK, June 15.

A NEW era of competition between New York Stock Exchange specialists looks likely to start on Monday following an application by the exchange's largest firm of specialists, Spear, Leeds and Kellogg, for permission to compete in stocks traded by a small and little-known company, Blair Williams.

Although a spokesman for the exchange dismissed it as a "coincidence", the Spear Leeds move follows quickly on the heels of an attempt by 19 of the exchange's leading brokerage and investment houses to head off a Securities and Exchange Commission proposal to develop trading off the floor of the New York Stock Exchange.

The SEC proposal is a response to widespread criticism, particularly from within Congress, of the alleged lack of competition on the New York Exchange where for the last ten years individual groups of stocks have been traded by single firms of specialists.

Although no official explanation was available to-day, it appears that Spear Leeds has picked out Blair Williams for result of special circumstances competition because of the latter's mix of 19 stocks which will be watched much more closely.

Providing that the application is approved by a committee of the exchange on Friday, Spear Leeds specialists will from Monday stand at the Blair Williams post competing for the flow of orders. One expectation is that the investor should get a better price for his shares and another that trading volume in the 19 stocks may increase.

There is little doubt that the Spear Leeds application will be given the go-ahead, because it has been the exchange's firm policy to encourage competition between specialists since early last year. There is only one other case of competitive trading on the exchange, but that is Kreditanstalt für Wiederaufbau (Kreditanstalt für Wiederaufbau) which has been trading by single firms of specialists.

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Each of the above Bonds when presented for redemption must bear the coupons dated 1st January 1978 and all subsequent coupons otherwise the amount of the missing coupons will be deducted from the principal to be repaid. Lists of current and outstanding drawn bonds are available from Morgan Grenfell & Co. Limited, Registered Department, 4, Throgmorton Avenue, London EC2P 2NB.

Witness: A. Walmsley, Notary Public

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INTERNATIONAL FINANCIAL AND COMPANY NEWS

SOUTH AFRICAN COMPANIES

Offer to buy Messina banking stake

BY RICHARD ROLFE

MESSINA, WHICH sold its TV interests in January to Federal in return for an option to buy Volkseigentlings, the industrial arm of the Sanlam insurance group, has followed the deal up with a further option in terms of the Banks Act to bring it down from 42 per cent. in which Sanlam again appears to be involved behind the scenes. The shares of Messina's associate, Concorde Bank, have been suspended following an offer to buy Messina's 42 per cent. stake. With the pre-suspension price at 45c, Messina's 2.4m holding was then valued at no more than R11m, but profits at Concorde, which is mainly involved in leasing business, have held up fairly well, showing R0.35m. for the half year to end-December, and the eventual take-out price could be well above that on suspension.

The identity of the offeror has yet to be made known officially, but speculation is that it is the small Afrikaner merchant bank Finansbank, which first achieved fame by putting the S.A. SURPRISINGLY good results from its Bazaars deal to from a conglomerate covering some rather depressed sectors of the economy have come from cent.

FRENCH COMPANIES

Rhône Poulenc active abroad

PARIS, June 15.

RHÔNE POULENC group rose 16.2 per cent. to Frs.2.94bn. between 1977 and 1981, 45 per cent. of it in France.

The company expects this year's consolidated earnings to increase by between 10-15 per cent. below last year's Frs.3.67m.

Spending on new industrial programmes this year will be made in the U.S., Japan, France, Germany, Italy, Spain, Portugal, Switzerland, and the U.K.

Group cement deliveries this year in the U.S., Gabon, Brazil, Antilles and Canada are expected to be up on last year, but deliveries in France, Morocco and Senegal should be stationary.

Business outside France has been more satisfactory than the domestic market which is still affected by French price controls.

The company said it hopes to be able to sell goods in France this year at the price level of the international market and this, combined with cost cutting, should allow it to return to normal levels of profitability.

The group reported a consolidated net loss of Frs.3.64m. in 1976, after a loss of Frs.9.41m. in 1975.

Reuter

La Redoute upturn

CONSOLIDATED NET earnings of La Redoute & Roibax, major mail-order concern, for the 1976-77 fiscal year ended last February increased 9.4 per cent. to Frs.43.52m. from Frs.39.77m. La Redoute said it plans to spend Frs.16.89m. on investments in 1977-78. Consolidated sales over Frs.4bn. on investments

Optimism at Lafarge

LAFARGE S.A. said it expects all group sectors to be profitable in 1977, but did not make an overall forecast, reports Reuter.

Last year the group made a net attributable consolidated profit of Frs.154.1m. (Fr.150.5m.) on a net turnover of Frs.801bn. (Fr.75.3bn.).

In its annual report, Lafarge said it hopes most sectors will earn higher profits this year, but the results of subsidiary Carbone-France Entreprise et Ceramique for 1976, a share, against the previous Frs.125, on group net profits of Frs.154m. (net loss Frs.270m.) and turnover of Frs.16.89m. (Fr.15.3bn.).

The meeting approved the proposed 1976 net dividend of Frs.140 a-share, against the previous Frs.125, on group net profits of Frs.154m. (net loss Frs.270m.) and turnover of Frs.16.89m. (Fr.15.3bn.).

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WALL STREET + OVERSEAS MARKETS

+ FOREIGN EXCHANGES

Prices dip in early dealings

BY OUR WALL STREET CORRESPONDENT

STOCKS TRADED lower to-day in IBM \$1 to \$257.75. Texas Instruments were moderately active mid-session at \$14 to \$88.40 and Digital Equipment \$1 to \$44.10.

Norton Simon to-day raised its offer for the trustee-held shares in Avis Corp.—last traded at \$21.10 to \$22 each from \$20.25.

Abbott Laboratories, which expects a rise of more than 20 per cent in its second quarter earnings, \$10.75 to \$11.50.

On the AMERICAN SE the higher in slow trading. The Dow Jones Industrial Average moved down from the start and by mid-day was showing a loss of 4.07 at 918.50. By 2 p.m., however, it had recovered a little to show a fall of only 1.95.

The NYSE All Common Index was 11 cents lower at \$54.41 at noon, when losing stocks out-

Closing prices and market reports were not available for this edition.

yesterday during the heaviest turnover in almost four weeks. The Dow Jones Industrial Average moved down from the start and by mid-day was showing a loss of 4.07 at 918.50. By 2 p.m., however, it had recovered a little to show a fall of only 1.95.

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PARIS—Slightly higher, helped by the steadiness of the franc and the reduction of call money to 8% per cent.

The May unemployment figure, showing a new post-war record jobless total, made no apparent impact.

Laforge, which earlier reported that all sectors of the group were expected to be profitable in 1977, rose Frs.1.5 to Frs.17.3—just under 1 per cent.

Rhone Poulenat rose by nearly 2 per cent—up Frs.2.9 to Frs.64.5. Its annual report said group activity so far this year had been steady at about the level of the last months of 1976.

Cie de Navigation Mixte rose Frs.15 to Frs.230 as there was an excess of buying orders on Tuesday which could not be satisfied.

BRUSSELS—Irregular in quiet trading, Cognac Astrumine FN, Sidra, Electrobel, Wagons-Lits, and GB Frs.45 at Frs.2.70 for the second day in succession.

Intercom, Union Miniere, Cockerill, Hoboken, UCB and Claebeek fell. Socete Generale, Cie. Lambert, Bierer, which had advanced strongly on Tuesday, was off Frs.50 at Frs.4.82.

AMSTERDAM—Firmer, but trading was quiet, also some gains in the morning. Elsewhere rises were led by Heineken—up Frs.2.80 at Frs.121.50.

MILAN—Prices rallied an average 1.6 per cent, halting a severe downturn which had pushed the index down to a 22-year record "low" the previous day.

Van Ommen, down Frs.2 at

Fr.13.80, and ABN were among the few lower issues.

GERMANY—Prices continued to rise in response to Tuesday's rally in New York. The Commerzbank index rose 3.4 to 761.2.

Standard bearers gained up to 10% with machine makers and Motors in the lead. Demand was especially strong for VW in late trading. The stock put up DM10 to DM182.20 on reports that it is planning a second plant in the year.

JOHANNESBURG—Golds gained with a gain of DM4.50 to DM190. There was lively trading in Nannesmann shares and major Chemicals.

SWITZERLAND—Broadly higher.

Most sectors had some advancing issues. Among Banks, Swiss Bank Corp. was actively traded, ending at Sw.Frs.376 for a gain of Sw.Frs.10.

In Industrials there was no clear trend. Buehle gained 7 cents to Rf.15 on local buying interest.

TOKYO—Higher as interest revived in Blue Chips, following Wall Street's overnight recovery.

Trading was thin, however, with volume again at 100m shares. Profit-taking near the close pared gains.

Coppers were quiet and generally unchanged, but Palatin advanced 10 cents to Frs.7.5.

Platinum was in demand towards the close, where Rustenburg featured, gaining 7 cents to Rf.15 on local buying interest.

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Indians, Eskimos and a \$12bn. gas pipeline

This announcement appears as a matter of record only

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Financial Adviser to the Company
SKANDINAViska ENSKILDA BANKEN

CANADA must tell President Carter this year whether it will permit the construction of a giant pipeline to carry gas from the Alaskan North Slope across Canadian territory to markets in the U.S. A battle royal has begun between the sponsors of a route along the Mackenzie River, who include Exxon, Gulf, and Shell as partners in Canadian Arctic Gas, the supporters of a more westerly route known as Alcan, who include Alberta Gas Trunk Line; and a motley group of those who oppose both lines, either because, like the Alaskan Government, they prefer the El Paso proposal for piping gas across Alaska and then moving it south by sea, or because they object to the environmental risks of any pipeline in the north.

First blood went to the opponents of Arctic Gas when, last month, an enquiry conducted by Mr. Justice Thomas Berger recommended that, in the interests of preserving the balance of nature, no pipeline

FLYING BY DC-3 at about 5,000-feet over the 850 miles from Yellowknife on Great Slave Lake via the Mackenzie Delta provides a new perspective on the debate over the Berger Commission Report.

The flight takes a good five hours. But in clear weather, the amateur can make some assessment of the effects of a Mackenzie Valley pipeline through the huge expanse of the Mackenzie District. Between Yellowknife, administrative centre for the whole Northeast Territories, and Inuvik on the Delta, there are only six or seven communities numbering only a few hundred people each.

The pipeline from the air would look something like a road running through the Valley. From the ground it would be largely invisible. Pumping stations could be kept well away from the communities.

Canadian Government experts say it can be built later from Yellowknife up to the Southern Yukon up to the Delta to bring south the environment, and social Canadian gas bore. Arctic Gas impact can be minimised if the reckons this would cost the construction base camps are controlled carefully and southern workers kept strictly away from extra transmission costs. There are fewer social-impact prob-

lems with this route, as Mr. Justice Thomas Berger pointed out in his report on the Mackenzie Valley line. However, the national interest, in terms of fuel reserves and cost of the gas to the south, plus international politics still make the Mackenzie system a strong contender. Planning is much further ahead than for Alcan.

The Mackenzie district covers only a small part of the 1.8m square-mile Northwest Territories, running up almost to the Pole and east to Baffin Island. The NWT within a decade may become Canada's largest province in area and least populated—the total population now is about 60,000 whites, Indians and Eskimos.

In Yellowknife, seat of the territorial government, administration of this vast area is backed up by 2,500 civil servants working directly for the territorial government or federal departments. In the past ten years, the face of this old gold mining town has been transformed with high-rise buildings. A new theatre-concert hall is just being finished.

Yellowknife is also seat of the Territorial Council, the elected body from communities all over the NWT, and consisting of 15 representatives, including nine natives. It is heavy with representatives from the Mackenzie District since 40,000 people live there (including Yellowknife).

Yellowknife is also head-quarters of the Indian Brotherhood, led by the able Indian activist George Erasmus. Using well-tried tactical methods of the South, he has held the headlines all over Canada with the Brotherhood's "No settlement, no pipeline" threat.

Erasmus argues the Berger Report is right and no start should be made on

a Mackenzie Valley pipeline for at least ten years so the native peoples can settle their land claims with Ottawa, adjust to the wage economy, and develop their own renewable resources.

The Dene Indians are claiming a huge territory of their own in the Mackenzie district, on which they would have full property rights, self-government and freedom from any pipeline right-of-way. This territory would be the home of the Dene "nation."

Erasmus has been trying to outflank the more moderate claims of the Metis association, while trying to form a common front with the Inuit (Eskimo) organisation, the Inuit Tapirat.

However, it is questionable whether the Brotherhood, in taking extreme positions, really represents the true majority feelings of any of the native peoples.

The concept of the Dene "nation" is largely a negotiating position. Erasmus is not entirely against Mackenzie oil and gas development.

The Federal Government, through the Department of Northern Affairs and the Territorial Government, says all native groups should make their land claims clear, but if possible

agreed upon. Then negotiations should go ahead swiftly. The Territorial Council position is clear and more detailed, and Ottawa cannot allow special status for any of the native groups.

It urges swift process towards provincial status for the whole NWT and ultimately power over all resources.

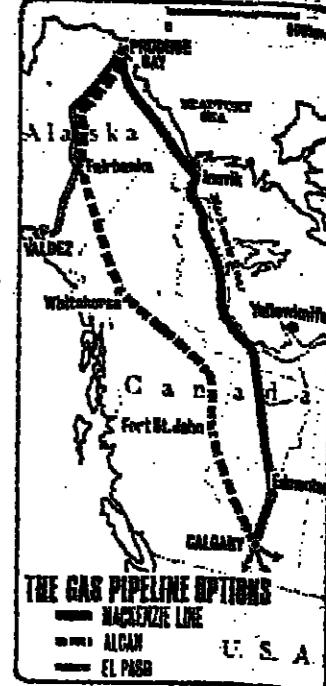
Land claims

Some senior civil servants in Yellowknife are confident that a common claim can be developed by the native groups this summer and agreed upon by Ottawa by autumn.

This sounds highly optimistic, considering the strident politicking in Yellowknife and Inuvik among all groups on the issue of pipeline development, and the Dene "nation" concept. The native groups ultimately want royalties on the transmission system.

Nick Sibbiston, a former council member, the best-known native in Yellowknife, believes the native groups can develop common ground and negotiate a settlement with Ottawa in a year or two—but not by the autumn. He regards a Mackenzie Valley pipeline as inevitable, but wants strict safeguards and a delay in construction. Ten years, as suggested by Berger, he sees as excessive.

Further down the Valley as far as Inuvik, Aklavik, Tuk, on the Beaufort coast, the issue now is whether to proceed, accelerating the 10-year wait and the of change in Old Crow.



THE GAS PIPELINE OPTIONS
— MACKENZIE LINE
— ALCAN
— EL PASO
U. S. A.

structures against any pipeline connection between the North Slope and the Delta. General most native and white people back "development." This means a Mackenzie Valley line with safeguards and a reasonable delay, or if not that, the Alcan Highway route with spur north to the Delta.

Despite some boisterous development campaigns by native people agree there can be a return to the old way of living, and they must participate in the future technological economy. The alternative is a serious economic slow down in the Valley, especially Inuvik and Aklavik, and a temporary shutdown of oil-industry exploration effort.

This in turn would mean return to self-reliance and a lot of the self-reliance built up on the last 20 years since Ottawa adopted a new "vision" of North and decided to try to pay its debts to the Indians particularly.

Canadian Government officials in Yellowknife told me the Northern Alaska-Delta connection can be justified, just as the whole Mackenzie Valley system can be acceptable once the Arctic project meets the nation's interest.

The Old Crow Indians, live 150 miles west of the Delta on the other side of the Richardson Mountains, told me they still do not want a pipeline near their village on the Porcupine River or crossing their hunting grounds. But they are vague in defining what they mean. The hunting grounds extend 60 miles north of this is short of the Yukon Beaufort coastline.

Others want to reduce the isolation by having a road or connection with the new Dempster Highway, which, within 10 years, will link the Alaska Highway and the south with the Mackenzie Delta via Whitehorse.

This in turn will open up the Northern Yukon to mining.

SOLVAY GROUP 1976 Results

Rise in external sales and net profit.

	1976	1975	1974	1973	1972
Consolidated external sales	27,847	80,263	78,391	63,796	51,994
Cash flow	11,720	8,178	11,696	9,417	7,183
Depreciation	6,481	6,610	6,387	6,228	4,931
Appropriation to the inventory adjustment fund	350	341	2,325	656	—
Consolidated net profit	4,888	1,227	2,974	2,533	2,252
Applicable to the Solvay Group	4,083	923	2,371	2,054	1,666

The financial year 1976 was characterized by a sharp recovery, the climax of which took place at the end of the first half of the year. Some deceleration appeared afterwards in some sectors, especially in plastics.

Our Group benefited from the economic revival.

However, this improvement of our level of activity is not entirely reflected in external sales and results. These are adversely affected by a strong appreciation of the Belgian franc in relation to the currencies of most of the countries where our Group is established.

In terms of purchasing power, the actual progression is in line with our normal development during the last 10 years.

Continuation of the capital expenditure and research effort, stability of the number of persons employed.

	1976	1975	1974	1973	1972
Capital expenditure	7,065	9,804	6,580	6,406	7,531
Research expenditure	2,257	2,230	1,811	1,633	1,402
Persons employed at December 31	44,109	42,706	44,467	44,274	44,701

Distribution of external sales.

	1976
Alkalies and derivatives	21.0
Salts, fertilizers and calcium products	8.5
Chlorine and derivatives	9.5
Peroxynitrogen chemicals	6.5
Plastics	27.5
Plastics processing	13.5
Pharmaceutical industry	4.0
Other activities	9.5
	100.0

Good results of the parent company, Solvay & Cie Société Anonyme.

Keeping up of the distribution policy.

The net profit amounts to B. Fr. 1,894 million against B. Fr. 1,290 million in 1975 and B. Fr. 1,853 million in 1974.

The Board of Directors decided to propose to the General Meeting on June 13, 1977 to distribute a net dividend of B. Fr. 200 per fully paid share, which would compensate for the reduction applied last year.

The table of the net dividends per fully paid share for the last five years would thus be as follows:

	1976	1975	1974	1973	1972
B. Fr. 200 per C share	1,278,872,000	1,10,887,200	347,439,800	45,614,192	52,780,000
B. Fr. 200 per A and B share	1,278,872,000	1,10,887,200	347,439,800	45,614,192	52,780,000
Withholding tax on dividend	—	—	—	—	—
Undistributable reserve (France)	—	—	—	—	—
Investment reserve (Spain)	—	—	—	—	—
General reserve	—	—	—	—	—
Carried forward to next account	165,848,234	—	—	—	—
	B. Fr. 2,181,411,426	—	—	—	—

Copies of the English version of the Company's Annual Report, including the detailed accounts for 1976, will be obtainable on request, from

Solvay & Cie, S.A., Secrétariat Général,
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FINANCIAL TIMES SURVEY

Thursday June 16 1977

WALES

devolution

Devolution is proving an awkward political issue to settle, and for Wales one on which the Welsh themselves are divided. But whatever solution finally emerges, it seems clear that at root the well-being and progress of the Principality will depend on efforts within and without to establish a sounder economic structure.



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Welsh Development Agency

WALES III

The need for new jobs

THERE ARE early signs that confidence is returning to industry in Wales—although the region is still deeply affected by the recession. An indication of the slight shift towards a more secure future are the 127 inquiries received in the first four months of this year by the Industry Department of the Welsh Office from companies which are looking for sites for factories. In the same period last year there were only 95 inquiries, and officials feel that interest this year could be creeping up to 1975 levels.

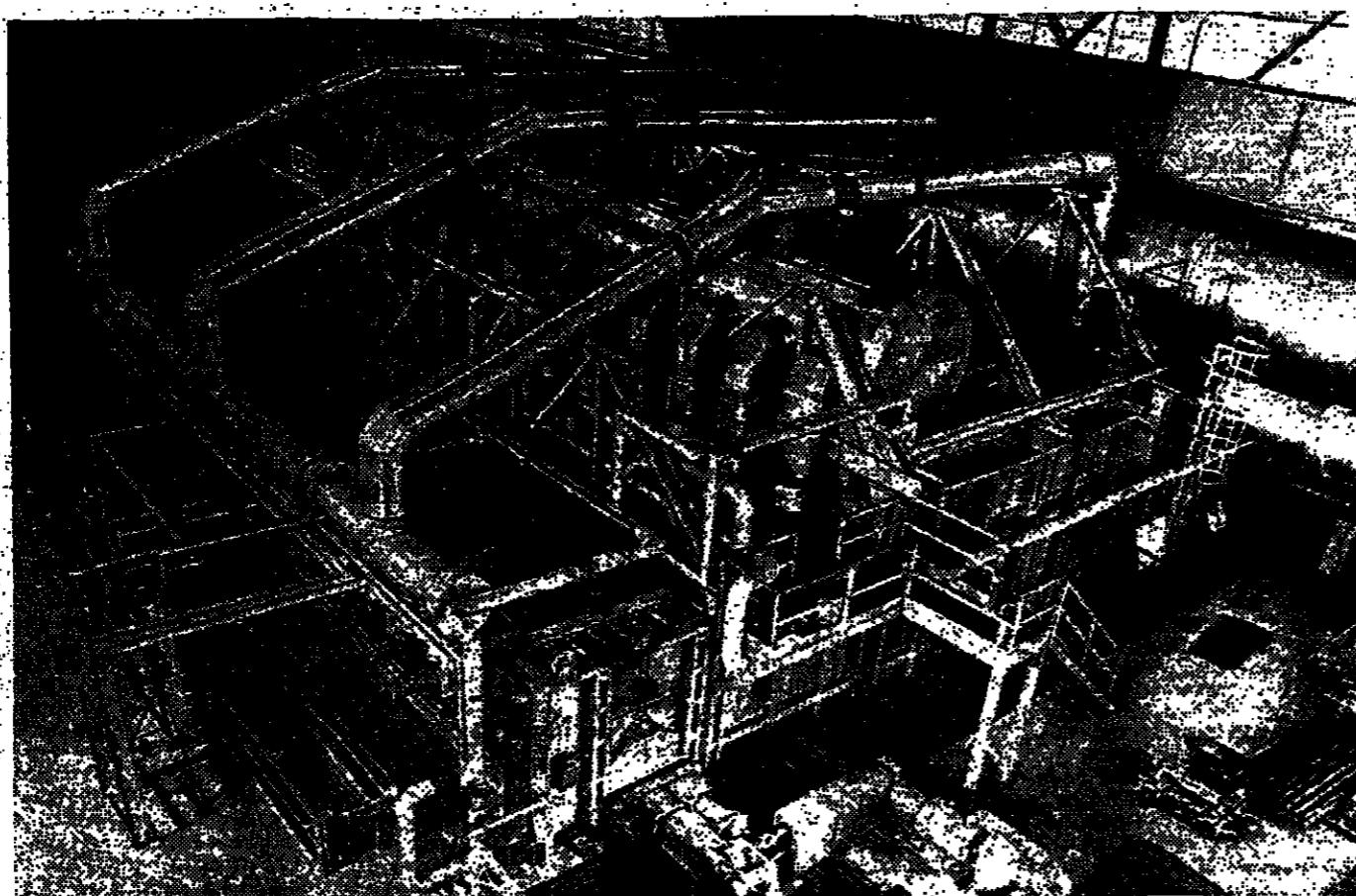
The 18-month-old Welsh Development Agency has also noticed an increase in the number of companies in the past three months seeking information about its advance factories. The Welsh Office and the WDA interpret these stirrings over possible investment moves in the right direction, but not yet positive proof that better times are just around the corner.

Their analysis is backed by the banks, who say industrial investment is patchy, with most companies being too cautious about the future to embark on major schemes. There have been notable exceptions—GKN in Cardiff completed a £51m. electric steel plant and rod mill during the recession, Hoover's at Merthyr decided to go ahead with a £10m. expansion and the British Steel Corporation received permission to invest £35m. for doubling the output at the Port Talbot steel-works.

But the Welsh industrial malaise—when the United Kingdom's economy catches a cold—Wales gets pneumonia—has really struck home during the past few years. Unemployment is virtually static at almost 50,000, about 7.7 per cent. of the working population, and any falls are simply due to seasonal factors or Government measures such as Job-Creation and Work Experience. The Welsh rate of unemployment has been constantly higher than that of the J.K., and a disturbing feature has been the high proportion of jobless in the under 25 age group.

There have been no signs of any major re-employment of people in manufacturing, and predictions see no change in the underlying jobless levels at least for this year. Companies are still closing, and in addition there are cuts in work forces through redundancies and natural wastage, but the pace of major reductions appears to have slowed from the 170 over the next three years.

The coal industry in South Wales has pushed ahead with massive investment and recruitment despite the recession and with the recession, and generally the companies geared for exports are the healthiest and have been committed so far to most confident. Positive efforts the coal fields since Plan for have been made to seek out Coal—the Government, trade exports as home markets have, union and National Coal Board flagged. In 44 leading Welsh firms, surveyed by the Welsh for the industry—was published sales overseas were up in 1974. A completely new



A new rod mill at GKN (South Wales) Ltd's Castle Works in Cardiff.

an average 50 per cent in 1976 mine at Bettws, near Ammanford, will start producing anthracite next spring. Other near Barry. The station is expected to be fully on stream by the end of next year.

One example of diversifying anthracite next spring. Other major schemes have included the Caerphilly-larger more efficient units. Else-based steel door frame and where, new drift shafts have been sunk to extract coal more quickly, or open up extra reserves.

Early next year the NCB South Wales area is expected to put to the national Board a £40m. plus plan for a new mine at Margam, near Port Talbot, to exploit 31m. tons of high quality coking coal. Test borings and seismic surveys have been carried out, and work is under way on preparing a feasibility study for the project.

South Wales has the U.K.'s only anthracite seams and about 70 per cent of the country's reserves of coking coal—and into a major expansion. To both fuels have assured long-term demand. The area is suffering from short-term problems of low productivity and cash losses, but these are expected to disappear when the full benefit is reaped from investment schemes now taking shape. In addition, the requirements for power station coal are below predicted levels because of technical reasons.

Expansion

Avon Inflatables' export record—about 60 per cent of its production is sold overseas—and has prompted the company into a major expansion. To both fuels have assured long-term demand. The area is suffering from short-term problems of low productivity and cash losses, but these are expected to disappear when the full benefit is reaped from investment schemes now taking shape. In addition, the requirements for power station coal are below predicted levels because of technical reasons.

Overhaul

CONTINUED FROM PREVIOUS PAGE

been announced, involving a total expenditure so far of about £1m. A £250,000 stake is being taken in M. Mole and Son of Newport to help it expand overseas sales of its self-grip wrenches and other hand tools, and other stakes have been built up in an electronic concern, an aluminium extruder and a woollen company. Although these are all comparatively small, a total of 55 serious applications for investment finance are now being considered, Ian Gray states. In a move designed to encourage companies needing help to come forward, the agency has let it be known that the equity stakes may be sold back later on agreed terms—a decision which has indicated that the agency is prepared to differ on some matters of principle from the N.E.B., where Welsh conditions demand a different approach.

One of the major problems, according to Ian Gray, a Scot who has previously held a senior civil service industry job in Wales, is that many Welsh companies are under-capitalised, especially those without the backing of a parent elsewhere. Many have funded long-term growth with short-term borrowings and have run into particular difficulties in times of tight credit.

The WDA sees its role as helping to expand the capital base and so remove difficulties of this sort. By ceding an equity stake rather than taking a loan companies will not be faced with an extra charge on the business and gearing will also be improved, making it easier to borrow from other institutions. This in turn can help companies to grow by giving them access to money needed to re-equip, to improve their technological base or to expand into new products or markets. "The emphasis is on the development of profitable enterprises with long-term potential. It is not on the provision of short-term finance nor on the preservation of employment where there is no prospect of long-term profitability," Mr. Gray points out.

The agency also hopes to be able to help businesses by the provision of advice, using either its own resources or outside expertise. "Many firms in Wales fail to meet their objectives of profitability and expansion, not because their venture is fundamentally unsound but because they lack expertise in certain areas. A limited amount of

difficulty in bringing in firms from other parts of the U.K. is placing a growing emphasis on winning foreign investment. The WDA has recently increased its grant to the Development Corporation for Wales, which will be in the forefront of the struggle to entice new jobs to the region.

Loan

Growing stress is being placed on help from the EEC. Under the European Regional Development Fund Wales has already received more than £17m. in aid to schemes including improving the infrastructure as well as assistance to individual companies. European investment bank loans for projects has reached about £100m., most of it to the steel industry, to improve telecommunications and power supplies. The most recent loan was £6.2m. to the Welsh National Development Authority for sewage and water projects in South Wales.

The industrial face of Wales has changed dramatically, with the balance moving away from coal mining and steel towards a greater diversity. In 1965 mining and quarrying employed 94,000 people in Wales and engineering of all types 58,000. By 1973 employment in the primary industries had dropped to 43,000 and engineering had overtaken them with 89,000 workers. In the same period employment in metal manufacturing—mainly the steel industry—decreased from 99,000 to 83,000 and has fallen considerably since due to BSC closures and manpower reductions aimed at equalising European levels.

There is also concern that the Industrial Development Certificate system is being weakened, with the Department of Industry now more willing to grant certificates for factory expansions in the Midlands and the South-East of England.

Traditionally Wales has drawn many of its new firms from these areas—moving in through a combined result of the attraction of regional grants and the inability to get IDCs for expansion at existing locations. Grow-

ing

Garrod Whatley
Western Mail

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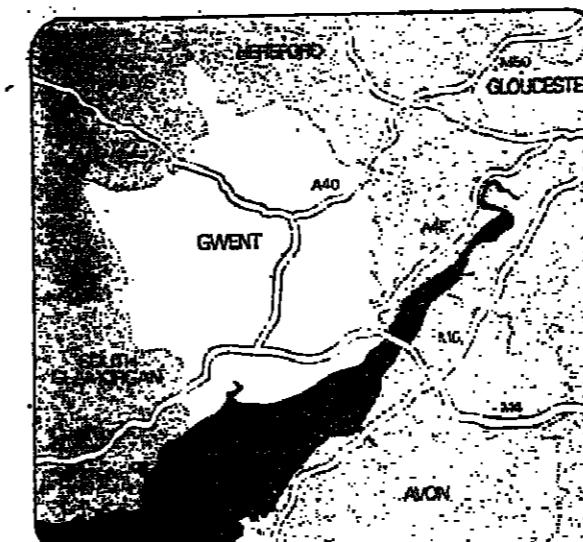
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WALES IV

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PORT TALBOT has been the focus of the steel industry in its 1973 plan for the industry. By the time Port Talbot is completed in February, which is a alternative form of work.

no place was found for Shotton completed the present work £52m. investment.

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THE WELSH have long harbour. The new, central, air-memories. Anyone remarking on condition De Valance Pavilion, the current drive to promote is 1974, seats up to 550 Wales as a conference centre is delegates, and has a restaurant apt to be reminded that no for 80 people. The Pembroke Room a little out of town, has boasting is intended but, actually, Wales had a conference centre back in AD 80. It was at a place called Caerleon. The Romans built it, it was known as an amphitheatre and it seated 14,000 people. Audio visual facilities were excellent.

None of to-day's conference halls quite manages to cope with that number of people, but then, neither do many conferences. One of the chief attractions of Wales as a conference centre is not just the fact that it is geared to deal with large numbers of people converging on one of any number of places at the same time, but that it offers such a lot for them to see after the talking has stopped. Welsh cities and towns are not vast sprawling affairs. They are easy to get to know and every one of them is within a short drive of attractive countryside or coastline.

One of the Principality's up-and-coming conference centres is the old walled town of Tenby, designed in the round, for up wardians in their thousands, colourfully washed in pink. The Assembly Room in the white and blue overlooking the City Hall, in the middle of faded, but it left this little town

Cathays Park, one of the most impressive civic centres in Britain, seats 500 people, the smaller adjoining Ferrier Hall, 200. Not far away, the Sophia Gardens Pavilion, in parkland alongside the River Taff, has a seating capacity of 1,250. Two hotels with ballrooms cater specifically for conferences, but there are more than 1,400 bedrooms in good licensed hotels available. Tenby offers a rewarding range of activity outside conference hours. The nearby island of Caldey with its Cistercian monastery, is open to day visitors, the water around it is full of seals and there are cruises to bird sanctuaries. Tenby also offers all the usual holiday facilities and manages to remain unspoilt by it all.

Impressive

Cardiff, capital of Wales, and a fine commercial city has first class meeting facilities that range from the City Hall to the new Sherman Theatre, part of the university buildings. The Sherman Theatre seats 472 people, and across the foyer, the smaller Arena Theatre is whose waters attracted Ed-

wardian's attention.

Traveling into Mid Wales, Llandrindod Wells is a resort

whose waters attracted Edwardian's attention.

Swansea has one of the finest cities in the United Kingdom

and its largest meeting place is the Brangwyn Hall (up to 1,400

can be accommodated). The university of Swansea has 1,000

beds available as well as meeting rooms for up to 400. Hotels

include the Dragon, the city's

largest, and the Dolphin, an older building. Both can handle

meetings for up to 300 people.

Traveling into Mid Wales, Llandrindod Wells is a resort

whose waters attracted Edwardian's attention.

Travelling into South Wales, Cardiff and the Vale of Glamorgan are particularly

known for a cure for their aches and pains. The fashion

keen to encourage more conferences in the area based on

health and medicine.

Conferences are only part of biggest ironworks where an increasingly active Welsh tourism. It is almost impossible to drive round the War of Independence and Welsh valleys nowadays without coming across a car-borne map. And above it all is great castle, built by the master Crawshay.

One of the great draws to the valley's tourism has the lack of good local accommodation, but a fine £250,000 hotel and motel on the heads of the valleys. Merthyr and Aberystwyth are great castles, built by the Dutchman anxiously scanning a map. He is one of the thousands of West European's now discovering Wales in a big way—the Dutch, the Germans and Scandinavians seem to be especially Celtic-minded, though the French are fast catching up. Last year, out of 10,000 visitors to the U.K., 750,000 came to Wales. What is interesting is that they did not all head automatically for the obvious attractions of Snowdonia or the popular resorts of the North Wales coastline. More and more of them have been turning up in Mid Wales and "down the valleys" as the Welsh countryman is apt to refer to the valleys.

South Wales' reputation as a repository of slag heaps, coal-blackened rivers and iron ore tips has always turned off visitors, home-grown and foreign. Places like the Brecon Beacons, the Gower Peninsula, the Vale of Glamorgan, were once the private playgrounds of South Wales, but not any more. Two years ago, the Wales Tourist Board embarked on a campaign of promoting the valleys and it has been a wild success. The fact is that the valleys have always been sold short. The mountain tops and moorland above them are places of outstanding beauty and tranquility, often more impressive than areas of wider scenic reputation that have suffered from too many visitors. The Rhondda Forest, above Treherbert, offers a rolling series of mountain ranges that seem to go on for ever.

The valleys themselves make no claim to beauty, although it is remarkable how much they contain, especially now that the tip removal projects of the last ten years, are disclosing what used to be there before man got his grubby hands on it. These mineral-rich clefts between the hills were the cradle of industry in Britain, and no one with the slightest sense of history can help but find them intriguing. In Merthyr, for instance, it is still possible to see the remains of what was once the world's

Kate Andri

Benefits from better transport links

BY THE late autumn, when that tenders are invited for the last of the work on the Bridgend bypass and no preferred route has even been drawn up for the Swansea section.

But it is the approach to Cardiff that is so important for years the need for a satisfactory infrastructure as a palliative to the economy's problems will, however, be tempered by the fact that the rest of the road will not be finished for some years to come.

One of the three gaps is the important 7.5 mile sector at the eastern entrance to Cardiff. No work is expected on it until next year at the earliest because the results of public inquiries have still to be published and the £13m. estimated cost, at November, 1976, prices is likely to turn out in actual terms to be much higher when it is finished. Since this section of the road will take at least two years to construct South Wales will not feel the full benefits of the motorway until the early 1980s.

The choice of a dual two-lane motorway was not the dictate of some planner but rather the result of public opinion. Major objections at the planning inquiries, which pointed to the loss of agricultural land, managed to restrict the width of the road. Whether the Welsh economy suffers from this exercise in public participation will not be known for many years yet: the presumption must be that it will.

But such cavilling at what has happened must not be allowed to obscure the fact that industrial South Wales now has the basic framework of a road network that links it quickly and speedily with every other part of Britain. The planners can point to the fact that no other part of industrial Britain need be much more than three hours' drive away.

Efficient

The introduction of the high-speed trains between Swindon and Paddington have complemented the pushing westwards of the motorway. They have made return business travel in a day between the two capitals not only a physical reality but one that can be undertaken with the minimum physical tiredness.

But despite the introduction of the new trains, it is the road schemes which have done most for the economy, because they have allowed the five ports and to a lesser extent the airport at Rhoose, outside Cardiff, to tap new sources of trade.

There were fears—which academic studies have tended to confirm—that the opening of the Severn Bridge a decade ago would benefit Bristol more than South Wales because its docks were more capable of handling general cargo traffic, such as cars, fruit and timber. But first Newport and then Cardiff fought back and managed to attract trade which was in no way representative of its past.

The result has been that the five ports in South Wales run by the British Transport Docks Board have been able to capture new trade because of their more modern facilities. Last year, for instance, there was a 5 per cent. increase in the volume of trade handled, taking the total to 17.9m. tons. This produced a net surplus for the board of £4.49m. compared with just £300,000 the year before.

Newport is clearly the most gradual improvement, in aviation uncertainty remains. Rhoose, Wales' main airport, has been affected by the decline in aviation since the oil crisis and by British Airports' downgrading of the airport as a base for its operations. The airport run by a consortium of local authorities has recently completed a major programme involving improvement of the runways, lighting, terminal buildings and cargo sheds. It faces strong competition from Bristol, however, for the role of regional airport for South Wales and the West should the decision be taken to concentrate resources on one airport in the area.

Port Talbot's future is very bright because with the recently sanctioned development scheme to enlarge the town's steelworks there will be a doubling of ore and coal brought in through the docks by the mid-1980s.

Expansion

Swansea will also benefit from the expansion of Port Talbot. Of all the ports, Swansea remains the most traditional. It is the only one that still has a major coal trade—750,000 tons will be shipped out of it this year—and the only one handling steel and tinplate. These, together with its oil imports, account for the major portion of its turnover.

The two that have had to make the most changes have been Cardiff and Barry. In place of coal Cardiff now handles timber, ore, fruit, aluminium, steel, grain and dairy products but the 3m. tons handled last year was enough to make it the largest of the five handling general traffic, although considerably behind Swansea and Port Talbot, relying heavily as they do on bulk products such as petro-ore and coal.

Since Cardiff is now a city of space industries its need as much as anything is for easy communication with the rest of the country. Here, it still labours under the difficulties created by a lack of long-term planning and an adequate sense of priorities. Little real effort has been put into improving the roads, which connect the tops of the valleys with the ports along the coast and where one attempt was made—by building a motorway-style road on the A470 between Cardiff and Merthyr—it was allowed to peter out half way after some 15 miles. The preferred route for the completion of this road has been announced, but its completion date is still a long way off.

Meanwhile in North Wales a large programme of improvements on the A55 which will relieve pressure on the holiday towns of Rhyl, Llandudno, Colwyn Bay and Conway goes ahead, and this route will assume priority in the Welsh roadbuilding programme once the M4 is completed. The policy of piecemeal development has been largely abandoned in favour of concentration on completing major through links, and once the main arteries through North Wales and South Wales have been built attention is likely to be turned to the improvement of north-south links within Wales.

But while in the roads network the prospect is one of

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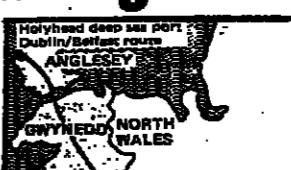
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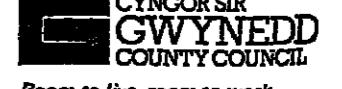


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How to get expansion moving

Contact E. Lloyd Evans, Economic Development Officer, Gwynedd County Council, County Offices, Caernarfon LL55 1SH. Tel: Caernarfon (0269) 4121.



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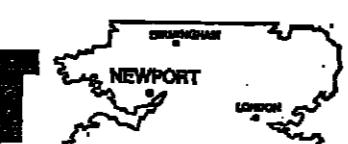
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